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EAST INDIA (STRAITS SETTLEMENTS).

Government
Publications

RETURN to an Address of the Honourable The House of Commons,
dated 7 April 1862;—for,

“ COPIES of all CORRESPONDENCE between the Government of *India* and the Secretary of State for *India*, and between the Secretary of State for *India* and the Colonial Office, and any other Departments of the Government, relative to the proposed TRANSFER of the STRAITS SETTLEMENTS to the COLONIAL OFFICE:”

“ And, of any COMMUNICATIONS from Parties in this Country to the Colonial Office on the same subject.”

India Office, }
14 May 1862.

J. W. KAYE,
Secretary, Political Department.

(*Mr. Gregson.*)

Ordered, by The House of Commons, to be Printed,
20 May 1862.

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COPIES of all CORRESPONDENCE between the Government of *India* and the Secretary of State for *India*, and between the Secretary of State for *India* and the Colonial Office, and any other Departments of the Government relative to the proposed TRANSFER of the STRAITS SETTLEMENTS to the COLONIAL OFFICE; and, of any COMMUNICATIONS from Parties in this Country to the Colonial Office on the same subject.

COPY of PETITION from the European Inhabitants of *Singapore*, presented to the House of Commons in 1858.

THAT your petitioners have long felt aggrieved by the manner in which Singapore is governed by the East India Company. For a considerable time it was subordinate to the Bengal Presidency, and although of late years the Straits Settlements have been nominally a separate government, placed directly under the Supreme Government of India, there has been little alteration in the system of management. Ignorant, apparently, of the many circumstances in which the Straits Settlements differ so widely from Continental India, the Supreme Government has almost invariably treated them from an exclusively Indian point of view, and shown a systematic disregard to the wants and wishes of their inhabitants, however earnestly and perseveringly made known. And only by appeals to the Imperial Government and Parliament, have needful improvements, desired by the inhabitants of the Straits Settlements, been brought about, or redress obtained for injustice inflicted on them by the Government of the East India Company.

When a few years ago, Parliament established a Legislative Council for India, your petitioners hoped that a beneficial change would take place in the manner of dealing with questions affecting the welfare of the Straits Settlements, but they found that such expectations were fallacious. Unlike the several Presidencies and Governments of Continental India, the Straits Settlements are not represented in the Legislative Council by any person having a competent knowledge of their requirements.

On various occasions, when proceeding to deal with matters connected with these Settlements, the members of the Legislative Council have confessed their complete ignorance of Straits affairs, but this has not induced them to hesitate in their action, or to take effectual means for acquiring the information acknowledged to be wanting. They have, on the contrary, passed Acts most detrimental to the interests of the Settlement, in spite of the earnest remonstrances and prayers of the inhabitants.

The Straits Settlements are placed under the charge of a governor appointed by the Governor General of India in Council. Without any Council to advise or assist him, this officer has paramount authority within the Settlements, and by his reports and suggestions, the Supreme Government and Legislative Council are in a great measure guided in dealing with the affairs of these settlements. It may, and indeed does in reality frequently happen, that this functionary, from caprice, temper or defective judgment, is opposed to the wishes of the whole community, yet in any conflict of opinion so arising, his views are almost invariably adopted by the Supreme Government, upon statements and representations which the public have no knowledge of and no opportunity of impugning.

In order to show that these assertions are not vague generalities, or made without sufficient facts to justify them, your petitioners humbly submit the following statements:—

The settlement of Singapore was established as an outlet for British commerce, and the preservation of its integrity as a free port has always been recognised by statesmen as essential to its prosperity and the full development of the objects of its formation. Thirty-nine years ago it was a haunt of savage Malay pirates, and now it has a trade of the annual value of ten millions of pounds sterling, steadily increasing from year to year. The Honourable the Court of Directors

and the Government in India have never cordially recognised or appreciated the advantages which the free port of Singapore has afforded to the commerce of Great Britain and India. Influenced solely by the desire to protect their revenue, and ignoring all other considerations, they have at various times proposed to adopt measures that, if carried out, would have had the effect of ruining or seriously injuring the trade of Singapore. At one period they wished to impose import and export duties, at another tonnage dues; and passing over other projects never realised, in 1854 they adopted measures for introducing the Company's rupee into more general circulation in the Straits Settlements, where hitherto a dollar currency had almost exclusively prevailed. The copper currency, consisting of cents of a dollar, previously supplied under the provisions of an Act of the Indian Government passed in 1847, was withheld, and the Indian copper money, which it is impossible to adapt to a dollar currency, was substituted in its place. The inhabitants of the Straits Settlements repeatedly, and in the most earnest terms memorialized the Legislative Council and Supreme Government of India against these changes, setting forth the inconvenience and injury their adoption would occasion, but their representations were not listened to. In all these instances, the evil was only averted, or redress procured by appealing to the Imperial Government or Parliament, from which that attention and justice were obtained which had been in vain prayed for at the hands of our more immediate rulers.

From the very first establishment of Singapore, the trading vessels, and more especially the native craft resorting to it, have been much exposed to the attacks of pirates. No systematic measures of protection have ever been adopted or carried out by the East India Company, who have been content to leave the service to be performed by the Royal Navy. Her Majesty's naval forces being liable to be called away to other duties, can only act at intervals; and hence for long periods the neighbouring seas have been left wholly or very slightly guarded, and have at such times swarmed with pirates, to the great injury of the trade of this port.

The Supreme Government of India has uniformly discouraged the local government at Singapore from interfering with matters beyond the limits of the island. The cultivation of friendly relations with native states and chiefs has been neglected, and the Government does not possess that influence in the Indian archipelago which the interests of British commerce require, and which might have been acquired and maintained by a very slight exertion on the part of the Indian Government.

Upon Singapore and Malacca being annexed to Prince of Wales Island, the recorder's court established at the latter place was extended to the three stations, which were designated "The Settlement of Prince of Wales Island, Singapore and Malacca." The recorder resided at Prince of Wales Island, and made circuits to Singapore and Malacca twice in the year, and at times even at longer intervals, principally with the view of discharging the gaols, the civil suits at Singapore being nearly all tried and disposed of by the governor or resident councillor, civil servants of the East India Company. In course of time the judicial business at Singapore increased largely, in consequence of its great commercial prosperity; and the officers of Government found that the discharge of their judicial functions interfered inconveniently with the performance of their other duties, while the community was dissatisfied at having the law administered by unprofessional persons, at best very imperfectly acquainted with it.

The Indian Government was besought to make those changes in the judicial system of the settlement which had now become imperatively necessary. Much delay ensued, and some impracticable schemes were propounded, having for their principal object to dispense with professionally trained judges, and to vest the administration of justice almost entirely in the local officers of government, civil or military servants of the East India Company; and at last the subject was postponed indefinitely. The inhabitants of Singapore, after much delay, petitioned both Houses of Parliament for redress, when two recorders were assigned to the Straits, one of them being stationed at Singapore, with Malacca under his jurisdiction. Owing, however, to the long delay which had taken place, and the rapid increase in the wealth and population of Singapore, the judicial establishment that had been considered suitable 10 years previously, and which was adopted in framing the new charter, has been found very inadequate for the altered circumstances of the place, and the amount of judicial business

business has so much increased as to make it impossible for one judge to dispose of it, although sitting almost uninterruptedly in court, from day to day, throughout the whole year.

The native population of Singapore comprehends persons from all parts of the continent of India, Arabia, the Indian Archipelago and China. In most instances, coming here solely for the prosecution of trade, or to acquire a competency, and without any intention or wish to become settlers for life, they do not feel that desire to conform to our institutions and laws which would, no doubt, arise were they bound to the place by family or other permanent ties. This is more peculiarly the case with the Chinese, who constitute the great bulk of the population. The Chinese residents are in most cases male adults, the females being in the proportion of one woman to 18 men. Belonging chiefly to the lowest class, the Chinese immigrants are ignorant and turbulent, bringing with them from their own country those prejudices and feelings which animate their nation generally against foreigners. Here they find their secret societies and confederacies in full operation, and they fall into that system of self-government which, in this as in other European colonies to which the Chinese emigrate, is found to interfere so seriously with public order and the proper administration of justice. The principles on which these societies are constituted and worked, have a most baneful influence. They assume to themselves a jurisdiction extending even to life and death, and they exercise the great powers which their organization gives them, in hindering the constitutional administration of justice by shielding criminals, and by suppressing and concealing evidence. The rivalries of hostile societies and clans give rise to disturbances and outrages, often of a very grave nature. To control such a population requires a firm and consistent, though conciliatory course of action on the part of the Government. This has, in a great measure been wanting in the Straits Settlements. At one time the attitude assumed by the officials is harsh and irritating; at another, finding or imagining themselves unable to control the Chinese, they have recourse to undignified compromises most damaging to their authority. For many years past the European inhabitants have urged upon the attention of Government the imperative necessity of measures being adopted for remedying this undesirable state of matters; they have suggested means by which the relations of Government with the Chinese population might be improved, and the effect of their peculiar habits and institutions in a great measure counteracted, without any violent interference with them; but such remonstrances and suggestions have been generally received with indifference, and sometimes without the slightest acknowledgment of their having been made.

Although Singapore was established exclusively as a commercial emporium, yet from a very early period of its existence it has been used by the Indian Government as a station for the convicts of continental India; the felons sent here being those whose crimes are of the deepest dye, and their period of transportation of a lengthened nature, frequently for life. Of late years, the number of such transported felons stationed at Singapore has been much increased, and your petitioners are seriously apprehensive that it is the intention of the Government to make this settlement a penal station on a large scale, and to send to it the worst and most dangerous of the criminals confined in the Indian gaols. With such a large body of convicts there is no adequate provision for the protection of the life and property of the inhabitants. The convicts are only guarded by a few Sepoy troops, who in courage are far inferior to the desperadoes they are set to watch over. The system of convict management and discipline has from the first been of the most defective and loose nature. Large gangs of convicts are stationed in different parts of the island, in open lines, and with only native officers or peons (themselves convicts) to control them. They style themselves "servants of Government," and their behaviour to the rural population is insolent and oppressive. Whatever may be the condition, morally or otherwise, of the native population, there can be little doubt that the presence of a large body of convicts, especially with such an imperfect state of discipline as that prevailing, must exert a decidedly injurious influence. Irrespective, however, of such considerations, your petitioners entertain a strong feeling that a settlement established and kept up as an emporium of trade, should not be converted into a penal station for the felons of India. They earnestly desire to be freed from what they must ever consider the contamination arising from such a body of felons being placed amongst them.

Your petitioners therefore humbly pray, that your Honourable House will be pleased to adopt such measures as may be necessary for removing the Government of British India from the East India Company, and substituting in its place the direct government of Her Most Gracious Majesty the Queen; and further, that the Straits Settlements may be constituted a separate government directly under the Crown, and not, as at present, under a delegated authority in India.

And your petitioners will ever pray, &c.

NOTES on the Proposal of annexing the Settlements in the *Straits of Malacca*, to the Colonial Administration of the Crown.

For the Right Honourable Lord *Stanley*, M. P.,

THE Straits Settlements are, politically and socially, of the nature of Colonies, and not old and populous countries like the British possessions in Hindustan. The two most important of them, Penang and Singapore, are more especially so; Penang, when it was occupied 72 years ago, was uninhabited; and Singapore, when the British flag was erected in it near 40 years ago, had for its sole inhabitants a few families of Malay piratical fishermen, who had huttet themselves there only eight years before the British occupation. To a great extent the same may be said of the less important settlement of Malacca, for its best population consists of emigrant strangers who have flocked to it for European protection. The Straits Settlements, therefore, are as strictly Colonies as the Mauritius or Hong Kong, and far more so than Ceylon, which has a large aboriginal population of its own.

The Straits Settlements, in the matter of the nationality of its population, has little connexion with the British possessions on the continent, for the bulk of the inhabitants consists of Chinese and Malays, while the Indians are short of 20,000, and near a third of these, sepoys, camp followers, menial servants and convicts. There are more Indians in Mauritius, and many more in Ceylon.

The most important commercial relations of the Straits Settlements are not with India but with England. The value of the Indian trade is about one-fourth part of the whole commerce of these settlements; and even of this, the chief part consists of the single article of opium, enhanced in value by the Government tax. The main portion of the trade is with England, the capital English, and the principal merchants British and Chinese.

The principal reasons which induce the people of the Straits Settlements to desire to be released from their dependence on the Government of India, and to be placed directly under that of the Crown, is, that their interests are better understood in England than in India, and that it has not escaped their observation that the administration of the Crown Colonies to the eastward of the Cape of Good Hope is conducted in a more liberal, popular and constitutional spirit than that which has characterized that of the East India Company in their own case. They aver what is undeniable, that the parties legislating for them in India, however competent to the government of Hindustan, have no knowledge or experience whatever of the manners, languages, usages or wants of the people of the Straits. As examples of this absence of knowledge, they adduce the many attempts made by the Supreme Government to tax commerce and shipping (although the settlements already contribute to the public exchequer in a threefold proportion to any part of continental India), injurious interference with their currency in despite of respectful remonstrance, a total neglect as to the piracy with which the neighbouring seas are infested, the denial to them of such share in their own government as is invariably conceded in the Colonies under the administration of the Crown, and the saddling on the local revenues certain military, naval and convict charges never imposed in these Colonies.

Administered in the spirit, and on the same principles as Her Majesty's Colonies, the present revenues of the Straits Settlements which increase from year to year, would be amply sufficient to meet every local charge without encroachment on the Imperial Exchequer. These revenues, in the year 1855-56, the latest which has come to hand complete, amounted to 103,187 $l.$, exclusive of a municipal

municipal revenue of 23,803*l.*, from which last every expense of police is defrayed.

Exclusive of the expenditure from the municipal revenue, the disbursements for the year 1855-56 amounted to 131,375*l.*, and they therefore exceeded the income by the sum of 28,188*l.* This apparent defalcation arises from the imposition of such charges as are never made against a local revenue in a Royal Colony. These amounted, in the year in question, to 42,112*l.* for military, 13,598*l.* for marine, and 17,648*l.* for convict charges. This would make an aggregate of 75,358*l.*, which, deducted from the expenditure, would show a surplus revenue of 47,212*l.*

It must be stated, however, in explanation of these extraneous charges, or what must in a great degree be considered such, that the charge for the maintenance of the convicts of continental India is the most remarkable of them. These felons, most of whom are robbers, homicides or rebels, amounted in 1856, to 3,835; and to charge their maintenance on the local revenue, is contrary to justice and principle. It may be said that their labour is a set-off against the expenditure, but that labour, small in proportion to what is paid for it, and ever slovenly and unskilful, is of very small amount, and assuredly no compensation for the pressure of so many condemned felons in commercial emporia, carrying on a trade of the annual value of 12,000,000*l.*, and at which there is always a stock of merchandize, mostly the property of English merchants, of the worth of not less than 6,000,000*l.* Under the Government of Her Majesty this nuisance will be abated, and the charge incurred by it struck off the local expenditure. A far more suitable place for a penal settlement has been established in the Andaman Islands, to which the more incorrigible convicts ought forthwith to be removed, and the rest pardoned and emancipated.

Besides the Andaman settlement, there are for penal settlements Pegu and the Tenasserim Provinces, in all respects far more eligible places than the Straits Settlements. They are not by one-half so far from Bengal and Madras; they are under peopled, and eminently in need of labour, which the Straits Settlements, close to the abundant skilled labour of China, are not; while, from being far less frequented by shipping, escape from them is far more difficult.

With respect to the large military expenditure, under any circumstances it is obvious that a large share of it ought to have been borne by the countries sending the convicts, no small part of it being kept up for their safe custody. Although it is believed that it is not the usual practice of Her Majesty's Government to debit a Colony with the whole of its military charges, yet they are of opinion that the expense of such portion of the military force as is native ought, in justice and fairness, to be borne by the Straits Settlements.

In reference to such native force, it is suggested that it might consist of Malays with British officers. There would be no difficulty in raising, on the spot, a couple of regiments of 1,000 men each, provided it were for limited service; that is, for service not extending beyond the three settlements, Labuan and Hong Kong. Such a force ought to consist of what are called in India irregular infantry; that is, of battalions with three or four select, instead of a full complement, of European commissioned officers. Such corps, in India, cost at the rate of 11*l.* per man, and would not cost more at the Straits Settlements. At such a rate the 2,000 men, which is about the number of the present garrison of Madras sepoys, would cost no more than 22,000*l.*, or by better than 5,000*l.* less than one half the existing military charge. With such a retrenchment there would still exist a surplus revenue of 25,212*l.* The only European force that would be required would be an effective one of the Royal Artillery; and this, as in all similar cases, would be paid from the Imperial treasury, and it would be the only charge on it in return for the commercial advantages which the nation derives from the existence of the Straits emporia.

With an adequate body of artillery, a force of 2,000 native troops would probably be more than were necessary for the three Straits Settlements; and indeed be sufficient to afford native garrisons to Hong Kong and Labuan, in which case these Colonies would of course bear a due proportion of the cost.

It need only be added, on this subject, that where the bulk of the population is Chinese, as is the case in the Straits Settlements, a military force consisting of Malays, who differ widely from the majority, in race, manners, language and religion, may be entirely relied on.

What are called, in the disbursements of the three settlements "Marine-Charges," amounted, in the year 1855-56, to no less than 13,598*l.* The chief object of this expenditure is the suppression of piracy, but the establishment maintained from it is wholly ineffectual for this purpose. The main portion of that establishment consists of an old slow-going and deep-draughted steamer, which is incapable of overtaking a Malay pirate prau, or chasing her, if she could overtake her, into shoal water; her chief use has been to convey the Governor from one settlement to another, a service that could be more economically and speedily performed by the mail steamers. Under Her Majesty's Government the greater portion of the marine charges would not be borne by the local revenue. The inefficient establishment maintained now would be supplanted by the effectual services of Her Majesty's navy, paid, as it is in every part of the world, all the coasts of British India included, out of the Imperial exchequer.

Every civil, judicial, political and ecclesiastical charge of the three settlements is entirely defrayed from the local revenue; not a farthing of it is charged on the revenues of continental India. Their aggregate amount in 1855-6, was 58,000*l.*

It will appear from the statements now submitted, that in transferring the Straits Settlements from the administration of the Supreme Government to the immediate one of the Crown, not only no call will be made on the Imperial Exchequer, but that there will even be a considerable surplus in the local revenue.

In effecting the transfer, the only financial difficulty which will have to be overcome will be found in the inequality between the three settlements as to the proportions between revenue and expenditure. At Singapore alone, according to the present system of making the charges, is the revenue equal to the expenditure. Indeed, in the year 1856-57, or that before quoted, this settlement showed a surplus of 5,806*l.* On the other hand, the deficiency of Penang was no less than 22,232*l.* Even here, however, deducting military, marine, and convict charges, which amounted to 27,651*l.*, there would remain a surplus of 5,809*l.* The deficit of Malacca, in the same year, amounted to 5,809*l.*; but deducting here, too, the same charges as at Penang, there would remain a balance in favour of revenue of 3,840*l.* In a group of Colonies under one governor, Her Majesty's Government—and justly—does not make the surplus revenue of one to answer the deficiencies of another; and, therefore, some means must be taken of diminishing the expenditure of Penang and Malacca, or of amending and increasing their resources.

The Government of the Straits Settlements is, at present, conducted by a Governor without a Council, who has under him at each settlement an officer called a Resident Counsellor, who is all but in name a Lieutenant Governor. The Governor has no diplomatic or legislative authority, and is entirely dependent on the Governor General in Council, who appoints himself and his subordinates. Any new Governor appointed must be named by the Crown, after the transfer of the settlements to it is made. This, it is presumed, will require an Act of Parliament, when the opportunity will probably be taken of giving the Governor a Council; which, to make it popular and effective, should, as in Ceylon, have, besides public functionaries, an admixture of British and Native resident inhabitants.

The existing judicial establishments consist of a Recorder's Court for Penang, and a joint one for Singapore and Malacca; with Courts of Requests, and Magistrates' Courts, all emanating from the Crown; and, with due regard to native usages, administering the law of England. In these laws entire confidence is reposed by all classes of the inhabitants. Although, however, the Recorder's Court of Singapore and Malacca be but of recent establishment, such has already, from the rapid progress of Singapore, been the accumulation of business, that a single Judge, making circuits to Malacca, has not been found adequate, and a second is demanded. At present the local government has no law adviser; and, perhaps, it will be thought expedient to avail of the occasion for appointing an Attorney General.

POLITICAL DEPARTMENT.

Lord Stanley to the Governor General of India in Council, dated 1 March (No. 7) 1859.

1. HER Majesty's Government having recently had under their consideration the position and circumstances of the Straits Settlements (in which term are included Singapore, Malacca, and Penang, or Prince of Wales' Island), I am anxious to receive the opinion of your Lordship in Council, whether any good and sufficient reasons now exist for continuing the administration of these dependencies of the Crown on their present footing, or whether it might not be advantageous to the public interests and to the settlements themselves, to withdraw them from the control of the Indian Government, and transfer them to the Colonial Office.

2. I enclose a précis which has been prepared, showing in abstract the area, population, revenues and charges of these settlements, up to the latest date, which has been received, and which I believe to be tolerably correct.

3. In former times, when India was administered by the East India Company, and when a very intimate connexion existed between India and China, it was both a convenient and proper arrangement that the administration of the Straits Settlements should be annexed to the Government of India.

4. But in later times, and more especially since the extinction of the trading privileges of the East India Company, this connexion has gradually diminished, until at length it can scarcely be urged that there are any reasons, geographical, political, or otherwise, why the Straits Settlements should continue to be governed and controlled from India.

5. On the other hand, however, these settlements have, I believe, become more closely connected with China, and in particular with the British Settlement at Hong-Kong, a connexion which is likely to become still more intimate under the operation of the Treaty recently negotiated by Lord Elgin.

6. Under this change of circumstances, I apprehend, also, that it will be exceedingly difficult for the Government of India, in future, to select in India, persons well qualified, by their knowledge of the customs, manners and language of the Chinese, to administer the affairs of these settlements, but especially the most important of them, Singapore.

7. It has, therefore, occurred to me, that it may be desirable to treat these settlements as Colonial Dependencies distinct from India, either separately or in connexion with Hong-Kong; the fundamental principle of their transfer to the Colonial Office being, that whilst, on the one hand, all the revenues and levies derived from them shall accompany the transfer, India, on the other hand, should be relieved of all existing charges whether civil, military, or miscellaneous.

8. The only exception to this rule, would be the net expense of the convicts deported from India, credit being afforded to India for the profit derived from their labour. This charge may, I conceive, very fairly be continued on the revenues of India. At the same time I should wish to be informed whether, in the event of the transfer, the establishments for convicts should be maintained as at present, or with what modifications.

9. But before taking any step in this matter, I shall be glad to be favoured with your deliberate opinion on the whole question, which I regard as one of considerable importance. And I should wish to be informed in particular, whether you have reason to believe that the contemplated transfer to the Colonial Office would prove generally acceptable to the inhabitants of the Straits Settlements, European as well as Native.

10. I also request to be furnished with a Statement exhibiting in full detail, the revenues and charges of each of the three settlements, and a list of the persons of every description now employed in administering them, whether covenanted or uncovenanted, together with a statement of the strength, and description of the military and naval forces now deemed necessary for their protection, and of all pensions now chargeable to these settlements.

I have &c.,
(signed) Stanley.

MEMORANDUM ON STRAITS SETTLEMENTS, referred to in the preceding Despatch.

THE Straits Settlements are three in number: Prince of Wales Island, or Penang (including the strip of land, called Province Wellesley), Singapore and Malacca.

2. They are situate between 1° and 5° of north latitude, and between 100° and 104° of east longitude.

3. The exact latitude and longitude of each settlement is noted in the margin.*

4. The dates of their respective acquisition by the British will also be found in the margin.†

5. From the date of the acquisition of Malacca, the settlements were placed under a governor and council, the staff consisting of three councillors and 17 civilians, sent out from England, and forming the "Straits Civil Establishment."

6. This arrangement having been found productive of inconvenience, the Straits Government was broken up in 1830, the governor being placed under subordination to the Government of Bengal.

7. The councillors were relegated to the three settlements; one with the title of "Resident Councillor," being the chief civil authority at each. This arrangement still subsists, though the increase of work has rendered necessary the appointment of assistants (who also perform the duties of superintendents of convicts).

8. In 1852 the supervision over these settlements was transferred to the Government of India.

9. Singapore is the seat of Government. The governor has the assistance of a secretary, through whom he addresses his subordinates, corresponding direct with the Secretary to the Government of India.

10. The resident councillors, their assistants and the superintendents of convicts are chosen, as vacancies occur, from the covenanted services, civil and military, of the Continent of India; civilians being generally drawn from Bengal, and military men from Madras, of the old Straits Establishment (to which no appointments have been made since 1827), but two persons remain, the Governor of the Straits, Mr. Blundell, and Mr. W. T. Lewis, resident councillor at Penang.

11. The military force consists of two regiments of (Madras) native infantry, and three companies of artillery drawn from the same Presidency.

(a) For 1855-56, they were 4,21,185 rupees.

12. Their distribution is shown in the margin.‡

13. The total annual charges on this account are about four lakhs of rupees (a).

(b)

	1854-5.	1855-6.
	Co.'s Rs.	Co.'s Rs.
Penang	2,45,565	2,63,770
Malacca	1,51,151	1,71,737
Singapore	4,75,975	5,96,265

(c) Realised from Excise Farms, in 1855-6: .

	Rs.
In Penang	1,82,520
Malacca	1,09,200
Singapore	4,45,080

Land Revenue, 1855-6:

	Rs.
Penang	51,259
Malacca	61,158
Singapore	52,132

14. The gross revenue of the three settlements for the last two years, of which returns are readily available, is noted in the margin (b), it has been aptly described as "derived more from the vices than from the industry of the people." The main source is the monopoly of opium and spirituous liquors, which is yearly farmed out, and designated "excise farms." The revenue from this source will be seen by the annexed marginal statement (c) to vary from about two-thirds (in Malacca) to four-fifths (in Singapore) of the total revenue realised.

Finance.

15. The land revenue is in each of the settlements small, and of nearly equal amount. In Malacca more than five-sixths of the amount thus entered is, however, not properly land revenue, but represents the duty levied on tin raised from the mines in the interior of the country.

16. The total revenue drawn from the three settlements in 1855-56 aggregated 10,31,873 rupees; the total charges were 13,13,758 rupees, thus leaving a balance against them of 2,81,885 rupees. From this sum, however, 176,481 rupees, the cost of Chinese and Indian convicts should, in fairness, be deducted. The annual deficit is then represented by 105,404 rupees.

17. The

	N. Lat.	E. Long.
* Penang	$5^{\circ} 20'$	$100^{\circ} 25'$
Malacca	5°--	100°--
Singapore	$1^{\circ} 16'$	$103^{\circ} 53'$

† Penang - - 1786 - - By purchase.
Malacca - - 1824 - - Ceded by Holland.
Singapore - - 1819-1824 - - Ceded by Tumongong, of Johore.

‡ Singapore - - 14th Regiment Madras Native Infantry.
2 Companies Artillery.
Penang - - 2/3d Company Artillery.
22d Regiment Madras Native Infantry (Head Quarters).
Malacca - - 1/3d Company Artillery.
2 Companies 22d Native Infantry.

Judicial.

17. The whole territory subject to the governor of the Straits is under the jurisdiction of Her Majesty's Courts. There are two recorders, one for Singapore and Malacca, another for Penang. Criminal justice is also administered in quarter sessions, the resident councillor having hitherto been called on to preside; but the present recorders have consented to act as chairmen of quarter sessions.

18. The population of the three settlements is:—

(Population.)

	Square Miles.	Population.
Penang (with Province Wellesley)	160 (Penang alone)	97,027
Malacca	990	54,021
Singapore	275	57,421
		228,469

19. The convicts, who form a considerable proportion of the population, are thus distributed:—

Convicts.

Penang	1,358	
Malacca	648	
Singapore	1,839	
		3,845

20. The average annual expense of their maintenance per head is *Rs. 45. 12.*, or *4 l. 11 s. 6 d.* per annum, many, however, are on ticket of leave, and cost the State nothing; the cost of maintenance of those in custody must be assumed at a proportionally higher rate.

(About 550.)

21. The statements of trade include imports and exports. They are not altogether reliable, as the settlements are free ports, and no means exist of properly testing the returns: they are subjoined as approximations merely. The chief exports of Penang are spices and sugar. The only important product of Malacca is tin*, while the exports of Singapore are mainly confined to pepper.

Trade.

* Annual produce about 10,00,000 rupees.

	1853-4.	1855-6.	1856-7.
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Penang	1,95,17,474	2,05,03,774	No returns.
Malacca	58,54,386	63,24,940	No returns.
Singapore	8,23,03,942	7,37,45,619	9,57,13,965

Home Department, No. 129 of 1859.

The Government of India to Sir *Charles Wood*, dated 14 November 1859.

With reference to Lord Stanley's Despatch in the Political Department, No. 7 of 1859, dated the 1st of March, requesting the opinion of this Government as to the expediency or otherwise of the transfer of the administration of the Straits' Settlements from the Government of India to the Colonial Office, we have the honour to transmit the accompanying copy of a Minute, dated the 7th instant, by His Excellency the Governor General, in the sentiments expressed in which we concur. We transmit likewise copy of a report by the Governor of the Straits (with enclosures), and statements, prepared in the Financial Department, shewing the receipts and disbursements of the Settlements for 1856-57 and 1857-58.

We have, &c.

(signed) *J. Outram.*

H. B. Harrington.

MINUTE by the Governor General, dated 7 November 1859, concurred in by the
Members of Government.

1. In a Despatch from the Secretary of State received last April, the Government of India was informed that Her Majesty's Government, having had under its consideration the position and circumstances of the Straits settlements, was desirous to receive the opinion of the Governor General in Council, "whether any good and sufficient reasons now exist for continuing the administration of these dependencies of the Crown on their present footing, or whether it might not be advantageous to the public interests and to the settlements themselves, to withdraw them from the control of the Indian Government and transfer them to the Colonial Office."

2. I have carefully considered this question. The only object for which I can conceive that it may be thought desirable to maintain the government of the Straits settlements on its present footing, is the object of having the whole of our possessions in the East subject to the control of one chief resident authority. This consideration, however, is quite as applicable to Ceylon, which has never been subordinate to the Government of India, as it is to the Straits settlements. Indeed, much better reasons, political as well as geographical, might be shown for connecting Ceylon with the Government of India, than for connecting the Straits settlements with the Government of India.

3. But any arguments which in past years might have been put forward in favour of giving to the chief authority in India some power of control over our Eastern possessions beyond the limits of India, are now weakened by the rapid progress which is being made in establishing communication by electric telegraph between those possessions and England; and, as a general rule, it appears to me that where there is so broad a line of separation between the people of two settlements, that disturbance in the one will not necessarily, or even probably be followed by disturbance in the other; and where the community of interests, and the affinity between them are not close, there can be no real necessity why they should be subject to the same local authority. The reasons which make it really necessary that the whole of the British possessions in the continent of India should be in a great degree subordinate to one head, are not more than very partially applicable to the case of India and Ceylon, and they are altogether inapplicable to the case of India and the Straits settlements.

4. These settlements, it will be recollect, have not always been subject to the control of the Government of India: they were for many years constituted as a separate government, and the change which was decided on in 1829, whereby the separate government was abolished, and the settlements placed under the Government of Bengal, seems to have been dictated by a desire of economy, far more than by any other influence. And an opinion then appears to have prevailed, that in abolishing the expensive establishment of governor and council, which existed previously to 1829, it must naturally follow that the single officer to whom the chief authority was in future to be entrusted, should be controlled by the nearer Government of Bengal, instead of continuing to be in direct subordination to the more distant Government in England.

This is not a consideration to which much weight will be attached at the present time. Singapore will shortly be connected with England by electric telegraph; and it may, I presume, be anticipated that the establishment of the Straits settlements as a government, directly subordinate to the Crown, would be attended with the construction of some suitable machinery for conducting the legislative business of the settlements. I believe that such machinery might be made far more effective for that purpose than a legislative council sitting in India can ever be.

5. I am of opinion, then, that no good and sufficient reasons exist for continuing the administration of the Straits settlements on its present footing, and I will now proceed to consider whether there are not strong reasons for withdrawing these settlements from the control of the Indian government.

6. In the first place, there is the outlying position of the settlements which removes them far from any Indian interests, and places them quite beyond the sphere of the Indian Government, now that that government has no concern with China. The officers who are sent to the Straits, whether civil or military, are completely separated from the services to which they belong. From the day of their appointment they lose all practice and experience of their proper and especial duties as members of the administrative body of one or other of the Indian presidencies, and they find themselves detached for employment in a country which has really no connexion with India, and where the official staff is nearly as mixed in its material as the population which it governs, comprising in its very small circle officers belonging to the old Straits service, officers from Madras and Bengal, judges appointed from England, besides a class of uncovenanted officers of its own.

7. At present, in the absence of telegraphic communication, the Governor General could not visit these settlements without putting himself for a time entirely out of reach of Indian affairs; indeed, we are indebted to the private opium trade with China, for the only direct communication by steam which exists between the seat of Government in India and Singapore.

I have had the honour to hold the office of Governor General of India for more than three years and a half, and for more than three-fourths of that time I have, of necessity, been fixedly resident in Calcutta, yet I have had only two opportunities of conversing with officers who had had public experience of the affairs of the Straits settlements, and one of these opportunities occurred a few weeks ago upon a change of governors.

But

But during that time it has fallen to the duty of the Government of India to report to the Home Government its opinion upon some difficult questions arising in the settlements; and I cannot but feel that Her Majesty's subjects there resident have gained nothing by the passage of these questions through the hands of the Governor General in Council. Most assuredly India has gained nothing by it; and although the arrangement was doubtless a convenient one, so long as the East India Company held the whole China trade under its control, and so long as Singapore was little more than an entrepôt of that trade, and was not closely connected in commerce either with a colony at Hong Kong, or with the great colonial empire of Australasia, it has now ceased to be convenient. To maintain it will be, I respectfully submit, to maintain a system of double government very cumbrous and circuitous, and totally without compensating advantages.

8. But whether the main system of government be altered or not, that under which officers are provided for service in the Straits is, so far as civil administration is concerned, a positive evil, which ought in any case to be remedied. Indian officers have no opportunities of acquiring experience of the habits or the language of either Malays or Chinese, and accordingly, when officers are sent to the Straits, they have every thing to learn. The Government of India is unable to keep a close watch upon their efficiency; the field is so narrow as to afford little or no room to the governor of the settlements, for exercising a power of selection in recommending to a vacant office; and there is consequently so complete an absence of stimulus to exertion, that it may well be doubted whether Indian civil officers sent to the Straits ever became thoroughly well qualified for, or heartily interested in the duties they have to discharge.

The character of the Chinese, the most important and at times a very unmanageable part of the population of the Straits settlements, is quite different from that of any people with which Indian officers have to deal. Democratic in spite of the outward form of their own government, enterprising and persevering, the Chinese are imbued with a strong tendency to self government, and are, therefore, the very opposite of our Indian fellow subjects. I am satisfied that if the Straits settlements are to remain under the control of the Indian Government, it will be absolutely necessary to devise a plan, by which the persons employed in administering the civil government shall receive a special training; and that without this the Indian Government cannot do justice to these settlements. The Indian Government, however, would find great practical difficulty in the measure, now that it has no Chinese service in which its officers can look for advancement as they rise in standing. In truth, it has come to this, that no officer of the Indian civil service will willingly go to the Straits for a permanency, except in the position of governor. To be transferred there at the beginning of his career, on the understanding that he shall remain attached to the Straits throughout the whole, or even the greater portion of it, would involve so large a sacrifice of prospects on the part of a young Indian civil servant, that he cannot reasonably be expected to make it.

9. In looking for a remedy for this state of things, the attention is naturally directed to the British establishments in China. I venture to suggest that Her Majesty's Government would find a good and increasing field of selection among the consular officers in China for service in the Straits settlements, and that the official connexion of these settlements with our interests in China, while it would enable Her Majesty's Government to make efficient provision for their administration, would afford the means of improving the prospects and elevating the position of the Chinese consular service.

In addition to this consideration, the intimate connexion which already exists commercially and socially between the Straits settlements and China, and the very large resort* of the Chinese alike to Singapore, Province Wellesley, and Malacca, are surely strong reasons for withdrawing these settlements from the control of the Indian Government, and for connecting them, to a greater or less extent, as may seem advisable to Her Majesty's Government, with our establishments on the Chinese coast.

10. Another very important point to be considered is the defence of the Straits settlements, for which, in the event of danger from any formidable enemy, the Government of India could not with justice be made answerable. The past security which these settlements have enjoyed affords no guarantee of our capacity to defend them, for we have not been at war with any great power in these seas since the Government of India held the settlements. It is necessary, of course, that Singapore should always be garrisoned; and this can be done by India in ordinary times without difficulty; but it is certain that the settlements, if threatened with external danger, must be protected mainly by ships, and that of these India has none to give. The defence, therefore, of the Straits settlements, in case of a rupture with any maritime power, must be provided by the naval strength of Great Britain. It may be said that this is in a great degree true of India itself. So it is, but with this material difference, that whereas our Indian empire cannot, so long as we are strong in the interior of it, suffer from an enemy's ships anything worse than temporary insult and the ravage of its ports (very few, considering the extent of its seaboard), our settlement in the Straits might be wrested from us altogether if, even for a short time, a hostile fleet were stronger than our own in those waters. As regards the garrison, I would further observe that

* Province Wellesley.—“Chinese greatly preponderate.” Report for 1855-56.
Singapore.—“More than two-thirds Chinese.” Report for 1855-56.

Malacca.—“The town is thickly inhabited with Chinese families, whose ancestors for many generations knew no other home; also a fluctuating body of seldom less than 5,000 foreign Chinese located at the tin mines.” Report for 1855-56.

that if a transfer be made, and it should be thought too costly to compose the garrison entirely of English troops, India could at all times lend native troops. This arrangement would obviate the necessity of raising any new corps of Malays, or others, for merely Straits' service, and would probably be economical to the government of the Straits, and in other ways convenient. The settlements, however, should never be left without some English troops.

11. It is not easy to see any sound objections to the proposed transfer of these settlements to the Colonial Office. Mr. Blundell, the late governor, who was consulted on the question, has urged none to which I can attach weight. He thinks that the native community, more particularly the Chinese, might, when informed of the change, be seized with suspicion and alarm. It is not apparent, however, why this should be the consequence of a change, which would be attended, in the first place at all events, with no actual alteration of things in the settlement itself; but, even if Mr. Blundell's opinion be well founded, nothing beyond a little temporary inconvenience need be apprehended, for the Chinese are a very practical people, bent upon making money, and very indifferent to matters in which this is not concerned. As such, they are not likely to contend seriously or for long with a fancied grievance in which no substance or reality will be perceptible to themselves.

12. With regard to the sentiments of the European inhabitants, Mr. Blundell intimates his belief that the strong desire for the transfer, which prevailed among them in 1857, has very considerably subsided, and in a private communication he has attributed this to an impression having become prevalent among them that increased taxation would probably be a consequence of the transfer.

I think that there is no room to doubt that, except upon such a ground as this, the European inhabitants of the Straits would not fail to urge the transfer were an expression of their wishes invited, for they have at all times evinced a marked impatience of the control of the Indian Government, and would assuredly wish to be free from it, unless influenced to the contrary by some such apprehension as that mentioned by Mr. Blundell; and for this I cannot blame them. As, however, the question of what taxes it may be proper at any time to impose on the people of the Straits settlements really has no connexion with the matter now under consideration, but is one which should receive precisely the same solution, whether the settlement is under the control of the Indian Government or under the control of the Colonial Office, I do not see that it need be brought under discussion on the present occasion. Setting it aside, I have no doubt whatever that the transfer to the Colonial Office would be highly acceptable to the European residents of the Straits.

13. Mr. Blundell further expresses an opinion, that if the transfer is carried out the Government of India must be prepared to give up the transportation of convicts to the Straits, especially to Singapore. In this there will be no difficulty, now that the Andamans have been occupied as a convict settlement.

On the other hand, adverting to the 8th paragraph of the Secretary of State's despatch, and supposing it should prove that Mr. Blundell has been inaccurately impressed with the strength of the feeling which exists in the Straits against the reception of convicts, I do not perceive any obstacle to arranging for their continued transportation there, on the understanding that the Government of India shall be charged with the net expense only of their maintenance, credit being allowed for their labour at a reasonable and fair valuation. Therefore, neither way will the disposal of convicts be an obstacle to the change.

14. I consider it to be established then, first, that no good and sufficient reasons now exist for continuing the Straits settlements on their present footing; secondly, that very strong reasons exist for withdrawing them from the control of the Indian Government and transferring them to the Colonial Office; and thirdly, that there are no objections to the transfer which should cause Her Majesty's Government to hesitate in adopting a measure calculated to be so advantageous to the settlements themselves.

15. Most of the information required by the Secretary of State in the concluding paragraph of his Despatch, is supplied by the statements furnished by the Governor and by the Financial Department respectively, and these statements may be transmitted to England.

16. As it is admitted that if the transportation of convicts to the Straits is continued at all, the real cost of their maintenance is to be paid by the Indian Government, or, in other words, that the Indian Government is to pay for their maintenance, and is to receive *per contra* payment from the Straits for the value of their labour; the statement of revenue and expenses may be examined in the first place without any reference to this item.

The statement for 1858-59, furnished by Mr. Blundell, shows a total revenue of Rs. 18,23,368. 5. 3., against which there are,

	Rs.	a.	p.
Civil charges	- *8,24,913	4	4
Military ditto	- 7,70,554	6	4
TOTAL	- - - - -	Rs. 15,95,467	10

This shows a deficit against the settlement of Rs. 2,72,099. 5. 5., to which must be added whatever sum it is necessary to expend upon labour for public works, whether it be labour taken from the convicts and paid for to the Indian Government, or whether it be labour hired in the open market. It is not possible to estimate with accuracy what the charge on this account should be. The late Governor, it will be seen, maintains that

* Not including cost of convict labour.

that the whole charge of the Indian convicts is fairly debitible to the Straits, the value of the labour which they have given being fully equal to the expense of their maintenance. The charge on account of convicts has averaged, during the last five years, very nearly two lacs of rupees; and if this be assumed as the sum required by the settlement for expenditure on public works, over and above the sum* already shown under the head of public works, the total deficit will stand at 4,72,099 rupees, or say, five lacs.

* For 1858-59, 1,01,932 rupees.

17. But it must not be overlooked that the revenues of the settlement have been steadily increasing, and that while the receipts have risen from 8,73,692 rupees in 1854-55 to 13,23,368 rupees in 1858-59, being an increase of 51 per cent. in four years, the disbursements for civil charges (not including the cost of the foreign convicts) have, in the same interval, risen from 7,22,107 rupees to 8,24,913 rupees, being an increase of 14 per cent. only.

18. As there is no reason why the civil charges of the settlement should be further increased, it may fairly be anticipated that, if peace should happily be maintained between England and the great European powers, the revenues of the Straits settlements will in no very long time equal their full charges, military as well as civil. But even if it prove otherwise, and if it should be necessary for England to make some sacrifice in this respect, I hold a clear opinion that it ought to be made in justice alike to the settlements and to India.

(signed) *Canning.*

I concur,

13 November 1859.

(signed)

J. Outram.

I also concur,

14 November 1859.

(signed)

H. B. Harington.

(No. 915.)

From *W. Grey*, Esquire, Secretary to the Government of India, to the Honourable *E. A. Blundell*, Governor of Prince of Wales' Island, Singapore and Malacca, dated Fort William, 6 May 1859.

Honourable Sir,

I AM directed by the Governor General in Council to forward to you an extract (paras: 2 to 10), of a Despatch from the Right Honourable the Secretary of State for India, on the subject of disconnecting the administration of the Straits Settlements from the Government of India, and I am to request that you will be good enough to furnish, as soon as possible, such information as may enable his Excellency in Council to reply to this Despatch, particularly in reference to the two points respecting which inquiry is made in the 8th and 9th paras.

Home Department

2. It will be convenient if your reply is accompanied by statements containing the information called for in the 10th para. of the Despatch; but except as regards the strength and description of the military and naval forces deemed necessary for the protection of the settlement, it is not desired that your answer should be delayed for the preparation of this statement, as it is probable that information on the other points is already on record in Calcutta.

I have, &c.

(signed) *W. Grey.*

From the Governor of Prince of Wales Island, Singapore and Malacca, to the Secretary to the Government of India, Fort William, dated Singapore, 13 June 1859.

Sir,

I HAVE the honour to acknowledge the receipt of your letter, No. 915, of the 6th ultimo, (which reached me only on the 1st instant), calling for information on certain points required by the Right Honourable the Secretary of State for India, relative to the proposed disconnection of these settlements from the Government of India.

Home Department

2. If this measure had been proposed two years ago, it would probably have met with the enthusiastic approval of the European community of Singapore, but if I may judge from the absence of all present movement in support of it, notwithstanding its having been prominently brought forward in Parliament, the feeling in favour of it has probably subsided very considerably. With regard to the native community, the measure would not be comprehended, and it would prove impossible thoroughly to explain it to them. The consequence probably would be, that as a mere change, of which no immediate signs would be visible, it would cause distrust and alarm among the natives, especially the Chinese, who possibly might have recourse to their usual plan of shutting their shops till their fears and distrust are removed.

3. I think, if the measure be carried into effect, the Government of India must be prepared to give up the transportation of convicts to the Straits, especially to Singapore.

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The feeling against it is already strong in the place, and that feeling would be increased if these settlements were disconnected from India.

No. 1. 4. I beg to enclose a memorandum of the expense of the convict body in the Straits, during the past official year, and I hesitate not to say, that the value of their labour, skilled and ordinary, taken at a fair market valuation, much exceeds the expenses of their maintenance. It is decidedly, in my opinion, a mistake to say, that the convict body has hitherto proved a burden on the local revenue; I should say far otherwise, and that much has been done by convicts that could not have been done at the time by free labour. It is true that the value of the convict body is yearly decreasing, inasmuch as free labour is comparatively abundant, and consequently the presence of such a body in the Straits will be protested against under a change of government.

No. 2. 5. I do not quite understand the nature of the information required at the close of para. 8, or indeed whether such information is at all expected from me. I beg to enclose, a memorandum, showing the present convict establishments in the Straits, and which I presume will be retained should the transfer to the Colonial Office take place.

No. 3. 6. Enclosure, No. 3, is a statement of the revenue and expenses of each station in the Straits. This statement is confined to the actual expenses, and excludes all disbursements not debitible to the Straits.

No. 4. 7. Enclosure, No. 4, is a list of all persons, covenanted and uncovenanted, employed in administering these settlements.

No. 5. 8. Enclosure, No. 5, is a statement of the strength and description of the military force now garrisoning the several stations. The two Madras native infantry regiments now in the Straits are very sickly, and consequently much reduced in numbers; but if at their full strength, are sufficient for the protection of the several stations. When the military works now in course of progress are completed, a very considerable increase of the force, especially in Europeans, will be found necessary.

9. The local naval force consists only of a small steamer, and three small sailing gun-boats, one for each station. Steam gun-boats are very desirable for the protection of the trade from petty piracy, especially to the eastward of Singapore. A man-of-war is always stationed in the Straits, and lies generally at anchor at Singapore, where her presence is indispensable.

10. I have now, I trust, given all the information required by the Right Honourable the Secretary of State for India, but I would recommend in conclusion, as the only means of attaining a knowledge of the feelings of the community on the subject, that this correspondence be made public. As it is headed "Confidential," I, of course, cannot disclose the tenor of it.

I have, &c.
(signed) E. A. Blundell, Governor.

(No. 1.)

MEMORANDUM of the Number and Expense of the CONVICT BODY in the Straits Settlements.

	Number of Convicts, on the 1st of May 1859.			EXPENSE.	
	Males.	Females.	TOTAL.	Total per Annum.	Individually per Month.
Penang	1,202	100	1,302	79,731 - -	5 - -
Malacca	541	-	541	33,532 - -	5 3 -
Singapore	2,199	130	2,329	1,24,615 - -	4 3 -
TOTAL	3,942	230	4,172	2,37,878 - -	Av. 4 13 -

Singapore,
13 June 1859. }

(signed) G. Edwin Borradaile,
Actg. Secy. to the Govt.

(No. 2.)

MEMORANDUM of the CONVICT ESTABLISHMENT at the several Stations of the Straits Government.

Designation:	Salary per Month.			TOTAL.	REMARKS.
	Rs.	a.	p.		
PENANG:					
1 Superintendent	400	-	-		
1 Head overseer	57	13	2		
2nd - ditto	40	-	-		
3rd - ditto	35	-	-		
Overseer of Chinese convicts	40	-	-		
Writer	44	-	-		
Moonshee	13	-	-		
Chinese interpreter	17	9	7		
Peons, orderlies, &c. &c.					
Varying according to number of convicts.				647 6 9	
SINGAPORE:					
1 Superintendent	600	-	-		
1 Tailor	100	-	-		
1 Assistant tailor	60	-	-		
1 - ditto (a convict)	9	-	-		
1 Moonshee - ditto	6	-	-		
1 Marker of roads	4	-	-		
1 Native writer for House of Correction, separately drawn	7	-	-		
Peons, orderlies, &c. &c.					
Varying according to number of convicts.				786 - -	
Deduct sergeant's pay, drawn from Military Department	28	12	9		
				757 3 3	
MALACCA:					
1 Overseer	35	-	-		
2 Overseers and keeper of the House of Correction	30	-	-		
Peons, orderlies, &c. &c.					
Varying according to number of convicts.				65 - -	
Total Company's Rupees				1,469 10 -	

Singapore. } (signed) G. Edwin Borradale,
13 June 1859. } Actg. Secy. to the Governor.

(No. 3.)

STATEMENT of the REVENUES and EXPENSES of the Straits Settlements for the year 1858-9.

REVENUE.

EXPENSE.

Penang.						Singapore.			Malacca.			TOTAL.			Penang.						Singapore.			Malacca.			TOTAL.		
Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
General -	-	-	5,94,920	14	9	1,27,909	1	-	9,49,763	3	9	General -	-	-	61,684	4	2	74,827	15	-	18,074	5	1	1,54,586	8	3			
Judicial -	-	-	35,536	3	6	4,530	4	5	66,184	9	7	Judicial -	-	-	78,298	-	3	85,341	4	3	21,293	8	7	1,84,932	13	1			
Revenue -	-	-	1,09,297	8	8	37,010	6	4	1,79,143	3	2	Revenue -	-	-	8,503	13	4	14,110	5	7	29,154	1	3	51,768	4	2			
Medical -	-	-	-	-	-	-	-	-	271	3	2	Medical -	-	-	-	13,061	1	11	22,603	2	9	6,350	13	8	42,015	2	4		
Postal -	-	-	78,685	13	5	470	4	-	86,381	16	9	Postal -	-	-	-	875	6	7	-	259	8	8	1,184	15	3				
Marine -	-	-	6,509	12	5	7	5	1	11,944	5	11	Marine -	-	-	-	13,373	10	1	28,514	10	1	6,867	8	9	48,755	12	11		
Profit and Loss in Exchange -	-	-	10,298	5	7	297	2	9	12,788	6	3	Ecclesiastical -	-	-	-	11,072	12	-	11,4696	8	6	4,836	10	5	27,605	14	11		
Miscellaneous -	-	-	11,370	10	2	2,307	15	7	16,941	5	8	Pensions -	-	-	-	34,714	13	5	21,938	11	6	2,838	14	-	50,492	6	11		
												Public Works -	-	-	-	6,262	10	1	92,667	2	8	3,002	14	9	1,01,932	11	6		
												Education -	-	-	-	4,311	14	11	4,780	13	6	3,512	8	-	12,605	4	5		
												Miscellaneous -	-	-	-	2,047	15	10	-	-	-	-	-	-	2,047	15	10		
Straits Settlements Charges:																													
General -	-	-	-	-	-	-	-	-	18,427	12	4	18,427	12	4	-	-	-	18,427	12	4	-	-	-	-	-	55,233	5	-	
Judicial -	-	-	-	-	-	-	-	-	-	-	-	19,323	15	-	-	-	-	19,323	15	-	-	-	-	-	-	38,647	14	-	
Revenue -	-	-	-	-	-	-	-	-	4,500	-	-	4,500	-	-	-	-	-	-	-	-	-	-	-	-	9,000	-	-		
Marine -	-	-	-	-	-	-	-	-	11,701	6	7	11,701	6	7	-	-	-	11,701	6	7	-	-	-	-	35,104	3	9		
Total Local Charges																													
Military -	-	-	-	-	-	-	-	-	2,29,806	15	1	4,94,480	2	10	46,177	4	5	7,70,554	6	4	-	-	-	-	-	-	-	-	-
Convicts -	-	-	-	-	-	-	-	-	78,410	7	8	1,24,615	4	1	32,849	11	-	2,35,876	6	9	-	-	-	-	-	-	-	-	-
												Total -	-	-	-	5,77,143	-	3	10,29,529	2	8	2,24,670	14	6	18,31,343	1	5		

Singapore,
13 June 1859.

(signed) *G. Edwin Borredale,*
Actg. Secy. to the Governor

(No. 4.)

LIST of OFFICERS employed in the Administration of the Government of the Straits Settlements.

Names.	Service.	Date of Entering Service.	Office.	Salary.	REMARKS.
E. A. Blundell	Covenanted; late Penang Civil Service.	August - 1821	Governor - - - -	Rs. 3,500	Mr. Blundell has applied for permission to retire from the service.
Lieutenant T. L. Playfair	Madras Artillery	June - - 1858	Secretary and Assistant Deputy Clerk to Governor.	324	Lieutenant Playfair is at present acting as Assistant to the Resident Councillor at Malacca.
PENANG:					
W. T. Lewis	Extra covenanted; former Bencoolen Civil Service, late Penang Civil Service.	In - - - 1806	Resident Councillor - -	2,000	Mr. Lewis will have served five years in his present appointment in April 1860, and will then probably retire.
T. Braddell	Uncovenanted - -	August - - 1851	Assistant to Resident Councillor, Police Magistrate.	700	Mr. Braddell is, at present, on leave of absence on sick certificate.
G. W. Earl	ditto - - -	June - - 1857	Ditto - Police Magistrate, Province Wellesley.	600	Mr. Earl is at present acting for Mr. Braddell, as Police Magistrate and Commissioner of Court of Requests at Penang.
Captain G. T. Hilliard	50th Regiment Madras Native Infantry.	May - - 1856	Executive Engineer - -	400 and military pay and allowances.	
Captain G. T. Gottlieb	Uncovenanted - -	In - - - 1834	Harbour-master, Post-master, and Registrar of Imports and Exports.	400	Mr. Gottlieb also acts for Mr. Earl, as Police Magistrate and Coroner, in Province Wellesley.
K. R. S. Robertson	ditto - - -	February - 1857	Deputy Commissioner of Police.	440	
SINGAPORE:					
H. S. Mackenzie	Covenanted; Bengal Civil Service.	April - - 1847	Resident Councillor - -	1,500	Mr. Mackenzie is at present on leave of absence.
Captain G. C. Collyer	Madras Engineers	August - - 1858	Chief Engineer, Straits -	1,000 with military pay and allowances.	
W. W. Willans	Uncovenanted - -	In - - - 1843	Assistant to Resident Councillor Police Magistrate.	600	
Captain J. F. A. McNair	Madras Artillery	April - - 1857	Executive Engineer - -	600 and military pay and allowances.	
J. D. Vaughan	Uncovenanted - -	June - - 1856	Master Attendant - -	500	
W. Cuppage	ditto - - -	In - - - 1830	Post-master - - -	330	
T. Dunman	ditto - - -	January - 1855	Commissioner of Police - -	1,000	
C. B. Plunket	ditto - - -	September 1858	Deputy ditto - - -	330	
J. C. Smith	ditto - - -	September 1851	Commissioner of Court of Requests.	450	
MALACCA:					
Captain H. Man	49th Regiment Madras Native Infantry.	December - 1845	Resident Councillor - -	1,000	
Captain R. Macpherson	Madras Artillery	In - - - 1848	Assistant to Resident Councillor Police Magistrate.	600	Captain Macpherson is at present acting as Resident Councillor at Singapore.

Singapore, }
13 June 1859.

(signed)

G. Edwin Borradaile,
Actg. Secy. to the Governor.

(No. 5.)

STATEMENT of the MILITARY FORCE serving in the Straits.

	European Officers.	Native Officers.	European Non-Commissioned Officers.	Native Non-Commissioned Officers.	Privates.	Non-Combatants.
SINGAPORE:						
European Artillery - - -	2	-	5	-	32	12
Native - ditto - - -	1	1	-	7	30	10
Gun Lascars - - -	-	2	-	2	25	-
Native Infantry - - -	13	13	1	98	687	60
TOTAL - - -	16	16	6	102	774	82
PENANG:						
European Artillery - - -	1	-	5	-	9	3
Native - ditto - - -	-	2	-	6	29	-
Gun Lascars - - -	-	2	-	-	17	-
Native Infantry - - -	12	6	1	48	505	42
TOTAL - - -	13	10	6	54	560	45
MALACCA:						
Native Artillery - - -	1	1	-	4	22	2
Gun Lascars - - -	-	-	-	1	5	-
Native Infantry - - -	2	3	-	24	161	9
GRAND TOTAL - - -	3	4	-	29	188	11

Singapore, } (signed) *G. Edwin Borradaile,*
 13 June 1859. } Actg. Secy. to the Governor.

(No. 5456.)

EXTRACT from the Proceedings of the Government of India in the Financial Department, under date 31 May 1859.

READ the under-mentioned papers relative to the financial position of the Straits Settlements.

Statement of receipts and disbursements of the Straits Settlements for 1856-57 and 1857-58.

Abstract of ditto, with profit and loss statement.

Financial Office Memorandum, No. 3266, dated 30 April 1859, requesting the secretary to this Government, in the Home Department, to forward for reference the memorial received from the Secretary of State for India, in favour of the transfer of the Straits Settlements to the direct government of the Crown.

Home Office Memorandum, No. 888, dated 2d instant, forwarding a Political Despatch from the Secretary of State on the subject, and stating that no memorial accompanied it.

Extract from the secretary's note on the subject, paras. 6 to 11, containing remarks on the financial results shown in the 16th para. of the précis annexed to the Despatch of the Secretary of State above referred to, and the results shown in the Accountant General's statements.

Ordered, that the above-mentioned statements of receipts and disbursements received from the Accountant General to the Government of India, together with an extract from the secretary's note on the subject, paras. 6 to 11, be sent to the Home Department for further consideration, with a view to a clear reply being given to the financial part of the Secretary of State's Political Despatch, No. 7 of 1859, dated the 1st March.

EXTRACT, paras. 6 to 11, from the Secretary's Note, dated 19 May 1859, on the Financial Position of the Straits Settlements.

Para. 6. AN attempt was made in the Accountant General's office to check the results shown by Lord Stanley in the 16th para. of the précis above referred to; but as the receipts and charges are given therein in a lump, without any details, it was found impossible to arrive at the deficit in 1855-56 (1,05,404 rupees)* shown by his Lordship. The Accountant General makes the deficit in that year 2,41,591.†

7. The Accountant General, however, in forwarding his statements, remarks, "Pensions of old officers paid at home, and every other charge incurred on account of the Straits Settlements, are shown as far as the materials exist in the office, but it is not possible to show anything more than advances to the Military Department, for want of information, and these of course are not the full charges, which can be obtained only from Madras, as also information respecting dead weight, such as military pensions," &c. (vide Statement A.)

8. The accompanying statements of the Accountant General show the financial position of the Eastern settlements, thus :

9. The net apparent excess charge of the Straits Settlements for the 10 years from 1846-47 to 1855-56, after taking into account the military charges and the cost of Indian convicts, both of which have not hitherto been debited against them, amounts to 40,17,004 rupees, or a net average annual excess charge of 4,01,700 (vide Statement C.) If from 40,17,004 rupees, the cost of Indian convicts during the said 10 years, 7,78,823 rupees be deducted, as this charge is, in the opinion of the Secretary of State, properly debitible to the Government of India, and not the Straits Settlements, the net excess charge in that period amounts to 32,38,181 rupees, or an average annual excess charge of 3,23,818 rupees.

10. Also from the abstract given in the margin of the revenues and charges of these settlements for 1856-57 and 1857-58, inclusive of convict receipts and charges, and of military and naval charges, the deficit appears to have been increasing every year, it having amounted in 1856-57 to 4,38,989 rupees, and in 1857-58 to 5,68,453 rupees (vide Statements A. and B.) If from these results the net excess charge on account of convicts from India, Ceylon and Hong Kong in the above two years, 1,14,287 rupees and 1,25,886 rupees‡ respectively be deducted, the deficit in 1856-57 amounts to 3,24,702 rupees, and in 1857-58 to 4,42,567 rupees.

11. The remaining six statements of the Accountant General show the revenues and charges, &c. in full detail, of Singapore, Penang and Malacca, in 1856-57 and 1857-58.

(A true extract.)
(signed)

C. Hugh Lushington,
Secy. to the Govt. of India.

1855-56.		Rs.	1855-56.		Rs.
* Revenue	- - -	10,31,873	† Receipts	- - -	10,60,987
Charges	- - -	18,13,758	Deduct,	- - -	
Deficit	- - -	2,81,886	Civil charges, not including convict charges	- - -	7,46,032
Deduct,	- - -		Military charges	- - -	5,56,546
Cost of Chinese and Indian convicts	- - -	1,76,481			13,02,578
Net deficit in 1855-56	- - -	Rs. 1,05,404	Deficit	- - -	Rs. 2,41,591

1856-57.		1857-58.	
Rs.		Rs.	
* Receipts	- - -	1,314	
Charges	- - -	1,15,601	1,25,886
Net excess charge on account of convicts	- - -	Rs. 1,14,287	1,25,886

ABSTRACT of RECEIPTS and DISBURSEMENTS of the STRAITS SETTLEMENTS, for 1856-57.
(A.)

RECEIPTS.

DISBURSEMENTS.

Pensions of old officers paid at home, and every other charge incurred on account of the Straits Settlements, are shown as far as the materials exist in the office ; but it is not possible to show anything more than advances to the Military Department, for want of information ; and these, of course, are not the full charges, which can be obtained only from Madras, as also information respecting dead weight, such as military pensions, &c.

(B)

A B S T R A C T of the RECEIPTS and DISBURSEMENTS of the STRAITS SETTLEMENTS for 1857-58.

RECEIPTS.

PAPERS RELATING TO

(C.)
EASTERN SETTLEMENTS.

PROFIT and LOSS Account, irrespective of Military and Indian Convict Charges.				CHARGES not at present debited against Straits Settlements.								
	Dr.	Cr.			Military	Madras	Troops.	Indian	Convicts.			TOTAL.
	Rs. a. p.	Rs. a. p.			Rs.	a. p.		Rs.	a. p.			Rs. a. p.
1846-47	10,242 1 8	- - -	1846-47	-	2,88,010	13 11	-	73,255	2 10	-	-	
1847-48	15,318 13 9	- - -	1847-48	-	3,37,682	15 9	-	75,498	10 8	-	-	
1848-49	4,262 2 8	- - -	1848-49	-	3,73,323	11 9	-	51,240	9 9	-	-	
1849-50	5,421 7 11	- - -	1849-50	-	3,34,709	6 11	-	74,667	14 3	-	-	
1850-51	26,676 4 6	- - -	1850-51	-	3,45,781	3 5	-	64,698	12 11	-	-	
1851-52	1,27,814 4 5	- - -	1851-52	-	3,21,646	3 11	-	69,904	6 2	-	-	
1852-53	- - -	74,225 15 7	1852-53	-	3,04,496	7 8	-	73,147	8 1	-	-	
1853-54	- - -	67,367 15 6	1853-54	-	3,41,052	14 6	-	82,677	4 7	-	-	
1854-55	- - -	79,180 9 10	1854-55	-	3,80,875	5 4	-	1,03,766	- 9	-	-	
1855-56	- - -	3,14,955 2 4	1855-56	-	5,56,546	3 11	-	1,09,977	- 8	-	-	
	1,89,735 2 11	5,35,679 11 3			35,84,125	7 1	-	7,78,823	6 3	43,62,948	13 4	
		3,45,944 8 4					Deduct			3,45,944	8 4	
										40,17,004	5 -	
										4,01,700	7 -	

The Under Secretary of State for India to the Under Secretary of State for the Colonies, dated India Office, 28 October 1859.

Sir,

A LETTER has lately been received from the Government of India, requesting an early reply to their previous recommendation that barracks should be constructed at Singapore for the regiment of European infantry which there is little doubt must hereafter be permanently stationed there.

Before passing orders on the subject, Sir Charles Wood is desirous of ascertaining whether, in the event of Singapore being transferred to the direct control of Her Majesty's Government, the cost of the proposed barracks would be defrayed by the Imperial Treasury. In that case it might be desirable to entrust the construction of the barracks to officers of the Royal Engineers, to be despatched from Bengal for the purpose, with instructions to keep distinct accounts of their expenditure.

I am &c.
(signed) G. Clerk.

The Under Secretary of State for the Colonies to the Under Secretary of State for India, dated Downing-street, 18 November 1859.

Sir,

I AM directed by the Duke of Newcastle to acknowledge the receipt of your letter of the 28th ultimo, stating that the Secretary of State for India is desirous of ascertaining whether, in the event of the transfer of Singapore to the direct control of Her Majesty's Government, the cost of barracks, which it is proposed to construct there for an European infantry regiment, would be defrayed by the Imperial Treasury.

I am desired by his Grace to observe, in answer, that as it has not yet been finally decided that the control of Singapore should be transferred to this office, and as the particulars, therefore, of its revenue and expenditure are not within the cognizance of the Department, there are not the means here of giving any very

very confident opinion, but that if the local revenue be not more than adequate to the ordinary current demands of the Government, it seems probable that in case the Settlements were placed on the footing of a British Colony, application would require to be made to Parliament for any military barracks which were found to be indispensable, and that in that case the War Department would have to prepare plans and submit the vote to the House of Commons.

I am, &c.
(signed) *T. F. Elliot.*

Sir *Charles Wood* to the Duke of *Newcastle*, dated India Office,
7 February 1860.

My Lord Duke,

1. YOUR Grace is aware, that Her Majesty's Government have for some time had under their consideration the expediency of transferring the superintendence of the Government of the Straits Settlements (that is, of Singapore, Malacca, and Penang, or Prince of Wales' Island) from the Governor General of India in Council to the Secretary of State for the Colonies.

2. In March last, Lord Stanley addressed a Despatch to the Government of India calling for certain information relating to the administration of these Settlements, and for the opinion of the Governor General respecting the expediency of transferring the control of their Government to the Colonial Office.

3. I have now the honour of forwarding to your Grace the reply of the Government of India, and the several enclosures which were transmitted with it.

4. Your Grace will observe that the Governor General is of opinion that there are no reasons for continuing the existing system of sufficient weight to counter-balance its obvious disadvantages.

5. In this opinion I entirely concur. And I shall be glad, therefore, to learn that the views entertained by your Grace, with respect to the expediency of the change, concur with my own. In such case I am prepared to consider without delay the arrangements to be made for the transfer.

6. With respect to the principles upon which the transfer should be based, the views of this department of Her Majesty's Government are expressed in Lord Stanley's Despatch of the 1st of March 1859, to the Governor General of India in Council, a copy of which is herewith forwarded for your Grace's information.

7. Among the points to be settled between the two departments are—

I. That India be relieved from all expense on account of these Colonies, except such as may arise from the custody and maintenance of convicts, after credit is given for the profits of their labour.

II. The adjustment between the two Governments, of the terms on which, should the aid of troops of the Indian local army be required, it shall be furnished.

8. There is one other subject to which I would especially invite your Grace's attention. You will observe that Mr. Blundell, the late Governor of the Straits Settlements, is of opinion that the sudden transfer of these dependencies to the immediate superintendence of the Imperial Government may engender some alarm in the minds of the Chinese and Malay population of the islands. This is merely a conjecture, but it is based upon a long and intimate acquaintance with the character of the people. It may be expedient, therefore, if the transfer should be carried into effect, to issue proclamations in the native languages, calculated to give confidence to the minds of the people by assuring them that they will be deprived of none of the rights and privileges which they enjoyed under the Government of India.

I have, &c.
(signed) *Charles Wood.*

Colonel *Baker*, Military Secretary, to the Under Secretary of State for the Colonies, dated India Office, 16th June 1860.

Sir,

I AM directed by the Secretary of State for India in Council to transmit, for the information of the Secretary of State for the Colonies, copy of a Despatch, received from the Government of India, enclosing a letter from Colonel Cavenagh, the Governor of Prince of Wales' Island, Singapore and Malacca, expressive of his views in regard to measures to be adopted for ensuring due protection to the Straits Settlements, and suggesting the formation of a local force in substitution for the Madras troops now forming the garrison of the Straits. This suggestion, I am directed to observe, is considered a very good one, but before taking any steps in the matter, it is deemed desirable to apprise the Secretary of State for the Colonies of the proposal. I am to add, that it might probably be carried into execution under present circumstances more readily than after the transfer of the Government of the Straits to the direct Government of the Crown, if that measure is to be adopted.

I am, &c.
(signed) *W. E. Baker.*

Letter from Colonel *O. Cavenagh*, Governor of *Prince of Wales' Island, Singapore, and Malacca*, to the officiating Secretary to the Government of India, Military Department (No. 210, dated Singapore, 26 December 1859).

ADVERTING to the prospect of a European corps being quartered at Singapore, an arrangement that, with reference to the increasing importance of the station both as a commercial entrepôt and a military post, cannot, it is evident, be much longer deferred, I trust I may be pardoned submitting for the consideration of his honour the President in Council, an expression of my views as to the measures to be adopted for ensuring due protection being afforded to the Straits Settlements, without at the same time losing sight of the necessity for observing strict economy.

2. Upon the arrival of a European corps at Singapore, the force employed in the Straits Settlements will consist of one European and two native companies of artillery, and one European and two native corps of infantry of the line, and be distributed as follows:—

HEAD QUARTERS, SINGAPORE.

Artillery.—Head Quarters, European Company; Head ditto, Native ditto.

Infantry.—European Regiment; Head Quarters, Native Regiment.

PENANG.

Artillery.—Detachment, European Company; Head Quarters, Native Company.

Infantry.—Head Quarters, Native Regiment.

MALACCA.

Artillery.—Detachment, Native Company.

Infantry.—Detachment, Native Regiment.

LABUAN.

Artillery.—Detachment, Native Company.

Infantry.—Detachment, Native Company.

3. The strength of the above force would be ample for the duties it would be called upon to perform, but I believe that by a change in its composition it would be feasible to secure both greater efficiency and reduced expenditure.

4. Madras Sepoys are proverbially sickly during their tour of service in the Straits; from the return of the last quarter now before me, it appears that on the 15th October, the corps at Singapore had no less than 116, and that at Penang 136, of all ranks in hospital, which, considering their strength, would be a very large proportion even for a European regiment in India; moreover, the 14th regiment has, exclusive of those on the sick list, 119 recruits who are still at drill, so that the duty strength of the corps is actually only 415 privates.

5. Although, doubtless, the unhealthy state of the native troops may in some measure be attributed to the change of climate and change of food, I do not think that these are the sole causes, and am of opinion that much of the sickness may fairly be ascribed to their separation from their families, and the consequent privations they endure to save money for their home remittances, and exposure and inconvenience to which they are subjected whilst on duty.

6. Unlike

6. Unlike the system in force in Bengal, the Madras Sepoy is, unless on foreign service, always accompanied by his family; hence, whilst on duty, he is not under the necessity of preparing his food, which is either brought ready cooked to the guard room, or he is permitted to proceed to his home, where he finds his meal duly arranged, and, after partaking of it, returns to his guard.

7. Owing to their families not being allowed to accompany them to the Straits, the Sepoys are obliged to cook for themselves, and, as many of the guards are situated at a considerable distance from their barracks, several of them hardly arrive at their posts ere one-third are seen retracing their steps over the ground already traversed, so as to prepare their dinners and return quickly, in order to admit of their comrades all obtaining a meal during the time that the arms are lodged; thus, whilst somewhat fatigued from a long trudge, perhaps exposed to heavy rain or a burning sun, they are called upon to cook their food, and, after partaking of a hasty meal, hurry back again to their guard rooms, the whole time being supposed never to take off their uniform or accoutrements; it is consequently not to be wondered at that they suffer a good deal from fever and bowel complaints, to which nostalgia, which, I have been informed by a high medical authority, is very prevalent amongst Madras troops, often supervenes, and the patient has either to be sent back to Madras at the Government expense, or death ensues, and his heir becomes a burthen on the pension list.

8. The Europeans, on the contrary, are particularly healthy; out of the weak company of artillery, numbering 41 of all ranks, there is only one man on the sick list, nor do shopkeepers or ordinary native domestics appear to suffer. Since my arrival here on the 6th of August, I have not had one case of sickness amongst my servants, though I have a large establishment composed entirely of men from Bengal or Madras, the latter of course preponderating.

9. From the remarks contained in the foregoing paras. it may, I conceive, be fairly inferred that the Straits Settlements are well suited for our Europeans, and that although natives of the continent of India certainly do suffer during their temporary sojourn here under the present system, there is no reason why, under different regulations, they should not become perfectly acclimated and able to perform military duty for years, without requiring a change.

10. Under the impression that the above inference may be deemed correct, I would beg to suggest that the native artillery now in the Straits should be relieved by two strong European companies, and on the departure of the native corps of the line, their places should be taken by two regiments raised for local service, by which means, independent of the difference of expense in other respects, a great saving would be effected in the item alone of the cost incurred in carrying out the present periodical relief.

11. The local corps might each consist of six companies of 100 privates, with a due complement of native commissioned officers, a commandant, second in command, adjutant, and four subalterns, with the usual non-commissioned European staff; they might be composed of men of all classes and from all parts of India, with Portuguese and other native Christians, and, if procurable, a small portion, not however exceeding one-fourth, of Malays and Bugis from the Straits, and should be trained and organised upon the same principles as the Madras sappers and miners, one, I believe, of the best regiments in the Indian army, so as to enable the men, whenever their services might be spared from their military duty, to be available for employment in the Public Works Department, where they would often be found very useful in superintending convict artificers and labourers; of course whilst so employed they would receive the prescribed additional working pay. I have specified four subalterns as the number required to do duty with these regiments, because each would require officers for duty with the detachment at Malacca and Labuan, and they would necessarily be often called upon to furnish officers for civil employ, for which employment with the local corps would generally be considered a probationary step.

12. All recruits and transfers from India should not only be permitted, but should be encouraged, to bring their families with them; and a similar indulgence should be granted to men who having enlisted as bachelors, might return to India either on furlough or sick certificate, and having married, wish to bring their wives with them on rejoining from leave.

13. The men of the corps should receive the same rates of pay, good conduct pay, and rations, as are now drawn by the native troops whilst in the Straits Settlements, and should of course, when on leave, be subjected to the same deductions. They should also be entitled, when invalidated, to the same scale of pensions.

14. In the event of the death of a native of India, if married, his wife and children should be furnished, if required, with a free passage back to their native village, and with subsistence allowance for the first six months; but no pension should be granted to heirs, unless in cases where the deceased soldier may have been killed or died from wounds received in the execution of his duty, or have served upwards of 21 years; transfers joining the corps on the first formation, would of course continue to enjoy all the privileges attached to the service to which they may have originally belonged.

15. The sepoys should be armed with light fusils, which are much better adapted for natives than the percussion musket at present in use in the corps of the line, and with the exception

exception of their pouches, all their accoutrements should be of brown leather. Their uniform should consist of a loose grey tunic with red facings and black lace, and the trowsers to match, together with the Kilmarnock caps; these latter, as well as their great coats, being equally with their uniform, supplied periodically at the expense of the State; their light clothing to consist of khakee tunic and trowsers, being as usual provided by the men themselves, in accordance with the regimental pattern.

16. It is of course at present impossible for me to say how far any difficulty would be experienced in obtaining men for corps of the above description, but, considering the high rates of pay, I am inclined to believe that natives of India might be induced to enlist, and that some recruits might also be procured from the Christian communities in the Straits, and from among the warlike classes of the Eastern Archipelago. The Ceylon Rifle Corps is composed of Malays and Madrassees, whilst the Dutch have a large native force raised entirely from the different Javanese tribes.

17. Should the Supreme Government deem my suggestion deserving of consideration, the experiment of raising a local corps might, in the first instance, be tried at Penang, so as to have the regiment in readiness to replace the corps of the line now there, on the occasion of the next relief, and in the event of its proving successful, the example might then be followed at Singapore.

18. With a force consisting of three European companies of artillery, one European regiment, and two native local corps of infantry (liable of course to be moved in case of any emergency), located as marginally noted,* not only would the defence of the Straits Settlements be effectually provided for either against an external enemy or an internal *émeute*, but unless when actually threatened by a hostile squadron, the Government would at all times be in a position to render valuable assistance to any of the neighbouring British dependencies, from which an application for succour might be received.

The Under Secretary of State for the Colonies to the Under Secretary of State for India, dated Downing-street, 10 July 1860.

Sir,

I AM directed by the Duke of Newcastle to acknowledge your letter of the 16th ultimo, enclosing a letter from Colonel Cavenagh, the Governor of Prince of Wales' Island, Singapore, and Malacca, in which he suggests the formation of a local force in substitution for the Madras troops, who now form the garrison of the Straits.

The Duke of Newcastle concurs with Sir Charles Wood in thinking that the suggestion is in substance a good one, and that Colonel Cavenagh might, in his opinion, be properly authorised to raise, if possible, one of the local native corps which he contemplates.

His Grace, however, is inclined to think, as far as he is in a condition to form a judgment on the question, that a corps composed entirely of natives of the Malayan Peninsula and the neighbouring islands, would be preferable to one composed mainly of Indians.

He would be wholly opposed to any new demand on the British army for the defence of these settlements. And he is glad to see that Colonel Cavenagh contemplates the possibility of detaching these local troops, if they are wanted for the defence of neighbouring British dependencies.

Their liability to be moved in case of emergency will materially increase the value of the corps to the Government.

I have, &c.
(signed) *Frederic Rogers.*

MILITARY DEPARTMENT.

The Secretary for State for India to the Government of India, No. 295,
dated 9 August 1860.

1. THE suggestions of the Governor of the Straits Settlements, forwarded in your military letter, No. 89, of 21st April 1860, regarding the constitution and disposition

* *Singapore*.—Two companies European Artillery, one European regiment, one local corps.

Penang.—One company European Artillery, one local corps.

Malacca.—Detachment European Artillery, detachment Penang local corps.

Labuan.—Detachment European Artillery, detachment Singapore local corps.

disposition of the troops forming the garrison of that dependency, appear to be well worthy of attention, but I regret that I have not been favoured with the views of your Government on this important question.

2. I cannot doubt that it will conduce to the contentment and efficiency of the Madras native army to relieve them from a portion of the large share of foreign service which now falls to them, and Her Majesty's Government will be prepared to take into consideration the arrangements which you may make in communication with the Madras Government, and with the Government of the Straits Settlements, for the organization of a local force for the objects proposed by Colonel Cavenagh.

3. Care must be taken in the composition of the force to prevent the preponderance of any of the races from which it will be drawn, and it would be desirable that the men should be enlisted with the understanding that they may be called upon to work as sappers, on fortifications, roads, or other public works.

4. In any further report which you may make on this suggestion, you are requested to state clearly the financial bearing of any scheme that may be submitted.

5. Having transmitted to the Secretary of State for the Colonies the letter of Colonel Cavenagh, I now forward copy of a reply received from the Colonial Office, conveying the opinion of the Duke of Newcastle on the proposal to form a local force for service in the Straits.

(signed) C. Wood.

The Duke of Newcastle to Sir Charles Wood.

Sir,

Downing-street, 22 June 1860.

I AM desirous of drawing your attention to the position of the negotiations for transferring to this department the superintendence of the Government of the Straits Settlements.

Your letter of the 7th February last contains a general statement of the revenue and expenditure of those settlements for the year 1858-59.

It is assumed in that statement that the labour of the convicts is equivalent to the cost of their support. Adopting this assumption, it appears that the expenditure and revenue of 1858-59 stood as follows:—

	Rs.
Expenditure	18,51,343
Revenue	13,23,368
Excess of Expenditure	5,07,975

or about 50,000*l.*

I understood, in a private conversation with you, immediately after the receipt of your letter, that these figures are not admitted to convey a just idea of the prospects of Singapore, the deficit being supposed to arise from causes which are not likely to affect subsequent years, at least to the same extent. I have, therefore, delayed any official answer to your letter of the 7th February, in the expectation of receiving some information calculated to throw further light on this part of the question.

As, however, no such information has reached me, I should be glad to be informed whether (subject to the possibility adverted to by Lord Canning, that the revenue may increase faster than the expenditure), the statement already communicated is to be considered as giving an adequate view of the finances of Singapore, and of the charge for which the Imperial Parliament will be called upon to provide, or whether any additional financial statements have been received, or are to be expected, which may give reason to suppose that the revenue of Singapore is virtually greater, or the expenditure virtually less, than would be inferred from the enclosures to your letter of the 7th February.

I am also desirous of further explanations as to the proposal of the Indian Government in respect of convicts, and the cost of convict labour. It does not seem to me desirable that these settlements should be saddled in perpetuity, or for any lengthened period, with the reception of Indian convicts, and, unless so long as they continue to be received, their maintenance is wholly provided for

PAPERS RELATING TO

by the Indian Government, I anticipate much difficulty and probable controversy between departments, from any attempt to apportion the charge. Benefit to the settlements from convict labour can only accrue so long as necessary public works have to be executed, and free labour is more costly than that of convicts. I believe that neither contingency is likely to continue long.

I have, &c.
(signed) *Newcastle.*

Sir Charles Wood to the Duke of Newcastle.

My Lord Duke,

India Office, 7 July 1860.

I HAVE the honour to acknowledge the receipt of your Grace's letter of the 22d ultimo, on the subject of the contemplated transfer to the Colonial Office of the superintendence of the Government of the Straits Settlements.

Your Grace observes that you understood from a private conversation with me shortly after the receipt of my letter of the 7th February, that the figures contained in the accompanying statement did not convey a just idea of the financial prospects of Singapore, and that you have delayed your official answer to my letter "in the expectation of receiving some information calculated to throw further light upon this point of the question."

Your Grace, however, will remember, that at the time of the private conversation to which you allude, I placed in your hands a memorandum drawn up from the annual accounts laid before Parliament, showing that the ordinary revenue far exceeded the ordinary charge. I was not aware that your Grace wished or was waiting for any further information. If I had had any intimation that it was required, I would have forwarded it with the least possible delay.

I now forward a similar statement to that put into your Grace's hand, showing the revenue and expenditure of the last six years. From this your Grace will perceive that there has been an aggregate surplus on those years of 146,088 £. It is to be observed, however, that the charges do not include the pay of the garrison, or the amount to be expended for the works now in course of erection for the military defence of the islands.

On the subject of the convict establishment now maintained in the settlements, I purpose to address your Grace in a separate letter.

I have, &c.
(signed) *Charles Wood.*

STATEMENT of Revenues and Charges of the Straits Settlements (converted at 2 s. the rupee).

1854-55 :				1856-57 :							
Revenues	-	-	-	£.	87,817	Revenues	-	-	-	£.	111,799
Charges	-	-	-	-	79,169	Charges	-	-	-	-	76,347
Surplus	-	-	-	£.	8,648	Surplus	-	-	£.	35,452	
1855-56 :				1857-58 :							
Revenues	-	-	-	£.	104,430	Revenues	-	-	-	£.	130,000
Charges	-	-	-	-	79,736	Charges	-	-	-	-	74,052
Surplus	-	-	-	£.	24,694	Surplus	-	-	£.	55,948	

Statement of Revenues and Charges of the Straits Settlements, &c.—*continued.*

1858-59 :					
Revenues					£.
Charges					105,964
Surplus					26,039

[In the former Memorandum, the Estimates for this year were given. The above are the actual accounts.]

1859-60 (Estimated) :					
Revenues					£.
Charges					125,960
Deficit					130,653
					4,693

[The estimates for this year have been received since the previous Memorandum was prepared.]

N. B.—The military charges are not included in the above accounts, the same being given under the head of General Military Charges of India in the Indian accounts.

India Office, July 1860.

Sir *Charles Wood* to the Duke of *Newcastle*.

My Lord Duke,

India Office, 30 July 1860.

As proposed in the concluding paragraph of my letter of the 7th instant, I proceed to address your Grace on the subject of the convict establishments maintained in the Straits Settlements of Singapore, Malacca, and Penang.

The question of the expediency of any longer using commercial settlements like Singapore and Penang as penal stations, had, on various occasions, come under the consideration of the Government of India, before the transfer of the Home Government of those places from the India to the Colonial Office, had formed the subject of discussion.

The transfer will, of course, furnish additional reasons of great weight for discontinuing the transportation to these settlements of Indian convicts, for whom it is in every respect desirable that the Indian Government should provide in some place within the limits of its own jurisdiction.

A penal settlement for the reception of Indian convicts was established in 1857-58 at Port Blair, in the Andaman Islands, and the Governor of the Straits Settlements was informed by a letter from the Government of India, dated the 23d December 1857, that such establishment was intended for the transported convicts of all India. A large number of convicts have accordingly been sent to the Andamans, and the difficulties in the way of making immediate preparation for the reception of so large a body as the whole of the convicts transported within the last two years, sufficiently account for the removal of any prisoners within the same period from India to the Straits Settlements.

The experiment of forming a penal station on the Andamans is of so recent a date, that I hesitate to give your Grace the assurance that there will be no further occasion for transporting convicts to the settlements in the Straits. The most recent accounts from India, however, encourage the hope that the establishment at Port Blair will prove successful, and in that event the whole of the

native convicts sentenced to transportation by the courts in India will be sent there.

In the meanwhile, there does not appear to be any ground for apprehension that the convicts as a body will prove a burden on the finances of the settlements. On this subject I transmit for your Grace's information an extract from the General Administration Report for 1858-59, submitted by the Governor of the settlements, as also an extract of a letter to the Government of India from the same officer, dated 9th February 1859, from which you will perceive that in regard to the mere results of their labour those places are rather gainers than losers by the presence of the convicts.

I have, &c.
(signed) C. Wood.

Enclosure 1.

EXTRACT Administration Report for 1858-59.

Convicts and Public Works Department.

Para. 3. THE value of the labour of these convicts during the year, as taken from the reports made by the several superintendents, is as follows:—

		1858-59.
Malacca	—	Co's. Rs. 33,532 10 10
Penang	—	102,570 3 —
Singapore	—	149,878 12 5

These sums result from applying to each convict labourer, whether skilled or otherwise, two-thirds of the value that would be paid to free labourers of the same description; but this calculation is fallacious. There are skilled convict labourers far superior to any free labourers, while much work effected by convict labour is rendered necessary only by the existence of a convict body. The true question has always seemed to be, can the labour obtained from the convict body be fairly considered to be equal to the expense of their maintenance? and when the works effected by them are impartially reviewed, there can be but one answer to that question, viz.: that the value of the labour obtained is quite equal to the expense of their maintenance. This has no connexion with the question that has for some time been raised in the Straits, as to whether these settlements should any longer continue to be made the penal receptacles of India. This is not a question for discussion here.

4. The department of public works is so intimately mixed up with that of the transported convicts (the executive engineer being the superintendent of convicts), that it has been combined with it. Until the middle of the last year, the public works, as a separate department, could scarcely be said to exist, but when it was decided that Singapore should be extensively fortified, it became necessary to organise a department and to place it under a chief engineer, thereby of course adding very greatly to the expenses of the place. Formerly the convict body, both as skilled and common labourers, almost sufficed for the erection of new buildings, and for keeping the old ones in repair, but now the extensive military works in course of progress, cause requirements infinitely beyond the means of the convict body.

5. Captain Collyer, of the Madras Engineers, who arrived here in January 1858, for the purpose of reporting on the proposed plans for the fortification of Singapore, was appointed chief engineer, and assumed charge of the office on the 1st August 1858. The whole labour of the convict body, both skilled and ordinary, was placed at his disposal. Some of the military works comprised in the proposed fortification were at once commenced upon, and the convict body were placed on Government Hill, there to form a powerful battery, and on Fort Fullerton, with the view of rendering that battery more serviceable by extending and widening it. The work executed by convicts in these two batteries is considered to be of excellent quality, as good, if not probably better, than would be obtained from free Chinese labour; and so far the convict body has proved most useful in the new scheme of covering the hills and shores of Singapore with batteries, redoubts, barracks, magazines, &c.

Enclosure 2.

EXTRACT Letter from the Governor of the Straits Settlements, dated 9th February 1859.

Para. 5. I ADMIT that the idea of Singapore, in its present advanced and advancing state, being a penal settlement for the reception of the felony of India, is not agreeable to anyone connected with the place, and I have already officially represented that the time seems to have arrived when transportation to Singapore should cease; but I must deny that now, or at any time, the convict body has proved a burden (still more an unrighteous burden) on the settlement. I will not enter into any detail of the subject, but will simply state that the whole of the existing roads throughout the island, more than 150 miles in extent, every bridge in both town and country, all the existing canals, sea-walls, jetties, piers, &c. have been constructed by convict labour. But not only is the community indebted for these essential works to the mere manual labour of convicts, but by the introduction among them of a system of skilled labour, Singapore is indebted for works which could not otherwise have been sanctioned from the State funds. A church has been erected, every brick and every measure of lime in which has been made and laid by convicts, and which, in architectural beauty, is second to no church in India. Powerful batteries have been erected at various points, and fortifications are now in progress by convict labour, which would have been too expensive for sanction if executed by free labour, while by means of convict skilled labour, the whole of the public buildings in the place are kept in a state of efficiency and repair, without exhibiting in the annual accounts any large items of expenditure for such necessary work. In fact, as I have often had occasion to remark, the cost of the maintenance of the convicts has been yearly, over and over again, repaid by the estimated value of the work performed by them, and consequently, that expense of maintenance represented as a burden on the revenue, is very far from being such. The fact of Singapore being a penal settlement, and which I presume is the real grievance to be complained of, is another question. Seeing the present magnitude and prosperity of Singapore, I should be glad were an end put to transportation of convicts into it, but the consequent increased demand on the revenue must be borne in mind.

Sir Frederic Rogers to Herman Merivale, Esq.

Sir, Downing-street, 6 February 1861.

I AM directed by the Duke of Newcastle to address you with respect to the proposal which has been made for transferring the superintendence of the Straits Settlements from the Indian Government to the Colonial Office.

Before entering upon the details of this subject it is necessary to decide upon two leading questions, the mode of disposing of the convicts and of providing for the expenditure of the Colony, which, including the cost of military defence and public works, appears to exceed considerably the revenue. With regard to the retention of the convict establishment, I am directed to state that, while the Indian Government may well claim a temporary accommodation for the time necessary to transfer their penal establishments elsewhere, it would be, in the opinion of the Duke of Newcastle, out of the question that a Colony, not naturally connected with India, and which, on that account, the Indian Government are transferring (with its attendant expenses) to the Home Government, should continue indefinitely a receptacle for Indian convicts.

The Duke of Newcastle is, however, prepared to consent that the convict establishment shall remain at Singapore for the next three years, the Indian Government being bound to remove the establishment at the end of that period, unless the present arrangement is in the meantime modified. The establishment being kept up for the sole advantage of India, it appears to the Duke of Newcastle an inevitable consequence that any cost or inconvenience attending it, should be borne, not by the Colony, but by India.

It appears, therefore, to his Grace to be indispensable—

1st. That the whole expense, direct and indirect, should be borne by the Indian Government.

2d. That the employment of convicts beyond the walls of the prison should be subject to such laws as the Colony may find it necessary to enact for its own protection.

3d. That the Colonial Government should not be bound to employ the convicts unless it is for the interest of the Colony to do so.

4th. That the convicts shall not be set free in the Colony.

If, indeed, the statement is well founded, that convict labour is of value to the public, it is just that the Colony should pay for that labour. But of this the Colonial Government is the proper judge. And (in the almost total absence of information) the Duke of Newcastle cannot consent in any degree to anticipate a judgment which ought to be founded on experience.

It is true that this will place the Indian Government in a position of some disadvantage, since the Colonial Government, if so disposed, may prohibit, or by the stringency of its regulations prevent the employment of convicts by individuals, and thus have the power of forcing the Indian Government to accept a low or nominal rate of payment from the public.

But in the first place the Duke of Newcastle does not see how to escape the necessity of imposing some inconvenience, either on India or on the Settlements. And in this dilemma it appears clear to his Grace, for the above reason, that the inconvenience must in justice be borne by India. It may be added that the colonists may well claim some advantage in return for the obvious disadvantages of having these convicts among them; and that the arrangement will only last for three years.

But apart from these considerations, I am to observe that if it is ultimately agreed that the present excess of expenditure over revenue is to become a charge on the British Treasury instead of the Indian, this will probably be found an ample equivalent to India for any loss in the employment of convicts, even if they were to be employed by the Colonial Government at a merely nominal price.

II. As to the Excess of Expenditure over Revenue.

The Duke of Newcastle has carefully considered the statements forwarded to him on this point. But he finds them such as to support no trustworthy estimate. They are such that by a certain amount of selection and conjecture it would be easy to show a possible surplus of ten thousand pounds per annum, or a possible deficit of seventy thousand pounds. The probability appears to be that the British Treasury will be called upon, until either the revenue is increased or the expenditure diminished, to supply a deficit of from thirty thousand pounds to fifty thousand pounds.

The revenue from 1854-5 to 1858-9 rose steadily from eighty-seven thousand eight hundred and seventeen pounds to one hundred and thirty-two thousand pounds. In 1859-60 it was estimated at one hundred and twenty-five thousand nine hundred and sixty pounds. The Duke of Newcastle is uninformed of the causes of this falling off, or of any possible circumstance which may render the results furnished by the Indian Government inapplicable to the present investigation. But it might not, perhaps, be unreasonable to estimate the revenue at one hundred and thirty-five thousand pounds.

The military expenditure is stated, in Sir C. Wood's letter of 7th February, at forty thousand pounds per annum. But it appears that in 1858-9 it amounted to seventy-seven thousand pounds; and Mr. Blundell observes, in one of his Despatches (dated 13th June 1859), that "when the military works now in progress are completed, a very considerable increase of the force, especially of Europeans, will be found necessary."

Probably, therefore, eighty thousand pounds per annum is not an over-estimate.

The public works were estimated for 1858-9 at ninety-five thousand seven hundred pounds. The actual expenditure was ten thousand one hundred and ninety-three pounds. The Duke of Newcastle is unaware whether all or any of these public works are really necessary or productive, or whether they are undertaken from the necessity of employing convicts. Nor does it appear whether the estimate and expenditure ought or ought not to be increased by the saving at present arising from the employment of unpaid convict labour. In the absence of information it is useless to attempt to conjecture the amount of expenditure which may be hereafter incurred.

Exclusive of military and convict expenses and of public works, the total expenditure of 1858-9 is stated at seventy-two thousand pounds.

The result would be as follows:

	£.	Rs.
Revenue -	135,000	
Expenses, general -	72,298	
Military -	80,000	
	<hr/>	
	152,298	
Deficit - £.	<hr/>	
	17,298	
	<hr/>	
	Rs. 7,22,981	

To which is to be added the uncertain item of public works.

Although, therefore, it is extremely possible that means may hereafter be found to equalise the revenue and expenditure, it is impossible not to anticipate that the transfer of the Straits Settlements to the Colonial Department will, in the first instance, impose a very considerable expense on the British Treasury.

The Duke of Newcastle is prepared to recommend that this expense should be risked, if the Indian Government will consent to his proposals respecting the maintenance of the convict establishment, and will allow the Colonial Government to employ the convicts to such extent as they may find expedient, and at such prices as they may find it consistent with the interests of the Colony to offer.

If the Secretary of State for India is prepared to consent to these terms, the concurrence of the Lords of the Treasury and the War Office might be sought for and on obtaining that concurrence, the consideration of the more detailed measures necessary for giving effect to the scheme might be taken in hand.

I am, &c.
(signed) *Frederic Rogers.*

The Under Secretary of State for *India* to the Under Secretary of State for the Colonies.

Sir,

India Office, 22 March 1861.

1. I AM directed by Sir C. Wood to acknowledge your letter of the 6th ultimo, conveying the proposals of the Duke of Newcastle respecting the projected transfer of the Straits Settlements.

2. Sir Charles Wood is unable to answer the questions as to details of revenue and expenditure which are asked in your letter with any greater degree of precision than is afforded by the statements already communicated to your department.

3. It appears that the revenue has of late years steadily increased, and there is every prospect of its continuing to do so. The expenditure, if that portion of it which is incurred for military defence be omitted, is considerably below the revenue. And much of the military expenditure is only of a temporary nature, and might doubtless be considerably reduced at his Grace's discretion.

4. To what extent it may be necessary to carry on the defensive works now in progress, Sir Charles Wood is not prepared to give an opinion. But additional barracks, the cost of which is estimated at 70,000 £., are now in progress. Separate accounts are kept of the outlay upon the barracks, their construction having been sanctioned in the full confidence, that the expense so incurred would be repaid to the Indian Government in the event of the Straits Settlements being transferred to the Colonial Department. And Sir C. Wood apprehends that little more expenditure is needed for the purpose of completing batteries for the protection of the roadstead. The further question of the construction of a fort or citadel must be left for the decision of his Grace.

5. With regard to the garrison to be in future maintained, it will rest with the Duke of Newcastle to decide of how many and what class of troops it shall consist. Whenever this shall be determined on, Sir C. Wood will afford every facility in his power towards carrying the plan resolved on into effect.

The military force at present employed, consists of,

	Number of Men.
ARTILLERY:	
1 Company European Artillery - - - - -	241
1 Company and two-thirds of a Company of Native Artillery } - - - - -	241
INFANTRY:	
22d Regiment Madras Native Infantry - - - - -	1,624
40th - - ditto - - ditto - - - - -	1,624
(Less two Companies stationed at Labuan) - - - - -	
TOTAL - - - - -	1,865

Of these, one regiment is understood to be at Singapore (and to supply the detachment at Labuan), the other to be at Penang with detachment to Malacca.

6. His Grace having signified his willingness to concur in the scheme of transfer, it is unnecessary that Sir Charles Wood should make any further observations on the subject, except as to the arrangement to be made with regard to the convicts, on which alone he wishes to urge the reconsideration of some points.

7. It must be remembered, that while convicts are sent at present to Singapore from all parts of India, convicts from the Straits Settlements are sent on the other hand to the continent, and India is entitled to payment on account of them.

8. At Singapore, they are maintained by the Government of India, in respect of the Presidencies from which they are respectively sent. Some of them are kept employed at hard labour within the walls of the prison; others, outside the walls on such public works as the Government of the Straits Settlements may choose to undertake. Others again are out on tickets of leave. Many of the most important public works, including the lighthouses for navigation, have been executed wholly by convict labour, to the great advantage of the settlement, as his Grace has been already informed by letter from this department, of 30th July last, on the authority of the late Governor, Mr. Blundell. The expense of their labour is estimated at two-thirds of that of free labour. And there can be no doubt that the power of employing them has the effect of keeping down the rate of contracts.

9. This being the case, Sir Charles Wood believes that it would be of advantage to the settlements that this state of things should be continued, for some time, at any rate, until the roads and other public works required are wholly or substantially completed.

10. Sir C. Wood fully admits that the questions, whether they shall be employed at all, and on what works they shall be employed, must be determined by the local authorities under the control of the Colonial Government, and that their employment outside the prison must also be subject to the laws of the Colony. But he is not prepared to agree, the rate of payment should be absolutely fixed by the Colonial authorities, who might of course (on an extreme supposition) fix it so low as to preclude the Indian Government from deriving from their labour any reimbursement whatever.

11. But it does not appear necessary to Sir C. Wood that any such absolute rule should be laid down, a temporary continuance of the establishment only being in view. He would propose that this labour should be paid for at a rate previously fixed by regulation based on mutual agreement between the local Governor and the Government of India; any such rate to be subject to approval at home, and also to revision from time to time by the respective authorities in the Colony.

12. With regard to the tickets of leave, Sir C. Wood admits that the regulations respecting them must necessarily be under the control of the Colonial authorities; he hopes, however, that it will not be found necessary to abandon a system which he believes to have worked well on the whole for the prisoners and the Colony.

13. Three

13. There remains only to be considered the period for which the penal settlement is to be continued at Singapore. The Duke of Newcastle proposes the fixed term of three years. Sir C. Wood agrees that this a question on which the wish of the Colony, and of the department which is now about to undertake its government, ought to prevail. But he cannot help thinking, that such a determination is of doubtful expediency ; that the Colony may find valid reasons for wishing a longer continuance of the system, when (if this term be fixed) the Indian Government, having made other arrangements, may be unable to accede to such wish. He is inclined, therefore, to propose, instead, that the penal settlement shall be removed three years after notice to that effect shall have been received by the Indian Government from the Secretary for the Colonies.

I am, &c.
(signed) *De Grey and Ripon.*

The Under Secretary of State for the Colonies, to the Under Secretary of State for *India* ; dated 24th April 1861.

Sir,

I AM directed by the Duke of Newcastle to acknowledge your letter of the 22d ult., respecting the projected transfer of the Straits Settlements.

With regard to the employment of the convicts, as Sir C. Wood admits that the question whether they shall be employed at all, and on what works they shall be employed, must be determined by the Colonial Government, the Duke of Newcastle has no objection to Sir C. Wood's proposal that their labour (so far as the Colonial Government may choose to make use of it), " shall be paid for at a rate previously fixed by regulation based on mutual agreement between the Local Government and the Indian Government, such rate being subject to approval at home ;" (that is, by the Secretaries of State for India and the Colonies), " and also to revision by the respective authorities in the Colony." By this last condition, the Duke of Newcastle understands that at any time, with fitting notice, the Indian Government may refuse to allow the convicts to be employed, or the Colonial authorities may refuse to employ them, except (as the case may be) at an augmented or reduced rate. With regard to the period of retaining the convict establishment, the Duke of Newcastle would propose that it should be removed two years after notice to that effect shall have been received by the Indian Government, such removal, however, not to take place earlier than three years after a fixed date ; probably that of the proposed transfer.

The Duke of Newcastle, however, cannot consent to the payment which it is proposed to make to the Indian Government in respect of barracks wholly or in part constructed.

In asking Parliament to sanction the transfer of the Straits Settlements to this department, his Grace will be obliged to propose that a large and indefinite annual payment, which at present forms a charge on the revenues of India, shall become a charge on the revenue of the United Kingdom. He could not further propose that, in addition to this prospective payment, the Imperial Treasury should be called upon to reimburse the Indian Government for expenses incurred by them while they administered the revenue of the settlement : expenses which the Imperial Government had neither authorised nor controlled. If such a principle was admitted, it would be difficult to restrict its application, or to say to what extent it might be consistently applied. And I am to add that the present demand is peculiarly unexpected, because the construction of barracks at the cost of the Imperial Government was suggested to the Duke of Newcastle in the India Office letter of the 28th of October, and in the answer to that letter (of the 18th of November), it was clearly intimated that, in the opinion of the Secretary of State for the Colonies, such outlay ought only to be made on the authority of the Secretary of State for War, and with the sanction of Parliament.

His Grace could not recommend to Parliament the reimbursement of expenses incurred

incurred not only without consent, but against the view of the department which would have to propose the vote. But since the question (as intimated in the Colonial Office letter of the 18th November), appears properly to belong to the War Department, his Grace can have no objection to refer it to that department, in case the Secretary of State for War should feel justified (which his Grace would not) in submitting the necessary vote to Parliament.

I have, &c.
(signed) *Frederic Rogers.*

The Under Secretary of State for *India*, to the Under Secretary of State for the Colonies, dated 9th May 1861.

Sir,

I AM directed by the Secretary of State for India in Council, to acknowledge the receipt of your letter of the 24th ultimo, respecting the proposed transfer of the Straits Settlements to the superintendence of the Colonial Department of Her Majesty's Government.

Sir Charles Wood is sorry to find, that the Duke of Newcastle hesitates to admit the justice of the claim for repayment by the Imperial Exchequer of the expenses incurred by the Indian Government in the construction of barracks at Singapore. On this subject, however, I am directed to observe, that Sir Charles Wood is of opinion that, however just may be the claim of the Indian Exchequer for reimbursement on account of this expense, yet, as considerable public inconvenience would result from the postponement of the transfer, he is willing to concur in immediate steps being taken by the Duke of Newcastle to carry out the measure, leaving the question of payment for the barracks for future settlement between the two departments.

With reference to the concluding paragraph of your letter of the 24th ultimo, and to the previous correspondence of 1859, to which it alludes, I am to request that you will invite the attention of his Grace to the fact, that that correspondence left the question of reimbursement an open one, and that there were reasonable grounds to infer from the tenor of Mr. Elliott's letter of the 18th of November, 1859, that application might be made to Parliament for a grant of public money for the provision of necessary accommodation for the troops to be located on the Island after the completion of the transfer. The construction of these barracks was considered indispensable, both in a political and military point of view, at the particular crisis in which they were commenced, with reference to the operations in China, and to other considerations connected with the state of affairs in the eastern seas, of importance, more as regards the British Empire than only Her Majesty's Indian territories. And I am directed to add, that these works, the advantages of which will be reaped solely by the Imperial Government, would not have been sanctioned, as a charge against Indian Revenue, except under the expectation of reimbursement from the Imperial Exchequer.

The case of these barracks, therefore, stands on separate and special grounds, and is distinct from that of other public buildings and properties to be made over, on the transfer of the Settlement, without charge upon the finances of the Empire.

I am, &c.
(signed) *De Grey and Ripon.*

MEMORANDUM on the REVENUE and EXPENDITURE of the STRAITS SETTLEMENTS.

THE following notes have been prepared by the Singapore Chamber of Commerce, chiefly from official sources, with reference to the proposed changes in the form of the Government of the Straits Settlements. The views expressed in them are believed to be those generally entertained by the mercantile community of Singapore, on the several points referred to.

REVENUE and EXPENDITURE of the STRAITS SETTLEMENTS during Three Years.

	1857-58.	1858-59.	1859-60.
	Rs.	Rs.	Rs.
Revenue - - - - -	1,262,900	1,340,400	1,245,550
Expenditure - - - - -	736,500	831,700	812,500
Surplus - - - - -	Rs.	526,400	* 508,700
			433,050

(The above expenditure does not include the charges for military and convicts.)

REVENUE and EXPENDITURE of the THREE STATIONS during Three Years.

SINGAPORE.

	1857-58.	1858-59.	1859-60.
	Rs.	Rs.	Rs.
Revenue - - - - -	770,800	863,700	774,650
Expenditure - - - - -	333,300	401,200	371,400
Surplus - - - - -	Rs.	437,500	462,500
			403,250

PENANG.

	1857-58.	1858-59.	1859-60.
	Rs.	Rs.	Rs.
Revenue - - - - -	319,500	304,200	301,800
Expenditure - - - - -	265,100	286,800	254,250
Surplus - - - - -	Rs.	54,400	17,400
			47,550

* There are certain discrepancies between the statements of the revenue, &c. for 1858-59 given by Mr. Blundell and Colonel Cavenagh.

	Blundell.	Cavenagh.
	Rs.	Rs.
Income - - - - -	1,340,400	1,330,400
Expenditure - - - - -	831,700	843,900
Surplus - - - - -	Rs.	508,700
		486,500

MALACCA.

	1857-58.	1858-59.	1859-60.
Revenue -	Rs. 172,600	Rs. 172,500	Rs. 169,100
Expenditure -	138,100	143,800	186,900
Surplus - - - Rs.	34,500	28,700	Deficit - 17,800*

Average surplus income of the Settlements 489,366 rupees, or, as stated by Colonel Cavenagh, 482,000 rupees.†

The sketch furnished by the Honourable the Resident Councillor of the estimated revenue and expenditure at Singapore for 1861-62, shows a considerable increase both in income and disbursements, but in regard to the latter point, it may be remarked that the whole cost of several general departments is debited to Singapore, instead of only one-third, as usual. Notwithstanding this, the result is as follows:—

	Rs.
Estimated Revenue	1,002,062
Expenditure -	1,388,632
Deduct,—	
Public Works Department; Fortifications -	Rs. 27,544
Tanglin Division; barracks for Europeans -	425,293
Military and Commissariat -	436,773
	889,610
	499,020
Surplus - - - Rs.	503,042

The result of the above abstracts of revenue may be summed up thus:—

	Rs.
1857-58 - - - Surplus	526,400
1858-59 " "	486,500
1859-60 " "	433,050
1861-62 " "	503,050 Estimate, for Singapore alone.
	Rs. 1,949,000

	Rs.	Rs.
Average surplus - - -	487,250, from which should be deducted—	
Cost of garrison - - -	300,000	
Extra expenditure † - - -	76,000	
	376,000	
Leaving a surplus of - - - Rs.	111,250 § or 11,225 l.	

* "At Malacca the disbursements have somewhat increased, chiefly owing to the expenditure in the Public Works Department, which amounted to 24,000 rupees, being 21,000 rupees in excess to the sum disbursed on the same account during the previous year."—Colonel Cavenagh's Report on the Administration of the Straits Settlement for 1859-60—Financial, para. 4.

† Mr. Blundell, in his Report on the Administration of the Straits Settlement for 1858-59, under the head of Financial, after giving the ordinary disbursements of the three stations, remarks as follows:—

"These sums do not include the charges on account of the Convict Department, because it is assumed that the value of convict labour employed during the year has been fully equal to the cost of maintenance of the convict body."

"Neither do the above sums include the expenses on account of the two regiments of Native Infantry, Artillery, and the various Military Departments in the Straits. The total amount of such expenses is not known to the local Government, as the troops, being borrowed from the Madras Presidency, many incidental expenses are there incurred which are not drawn for from the local treasuries."

"Assuming the convicts to yield in labour the value of their maintenance, and excluding the expenses of the troops from Madras, it will be seen, on comparing the above statements with those of the revenue of the several stations, that the Straits Settlements fully make good all their local expenses, and leave a small surplus towards the military expenses; but if the extensive plans of fortifications which have been suggested are fully carried out, there will not be for some years any such annual excess to carry towards the greatly increased military expenses of the Straits, consequent on these fortifications."

‡ The above sum has been allowed for additional appointments and increase to the salaries of existing offices which are at present underpaid.

§ The convicts, being employed entirely on Government works, and contributing by their labour more than the equivalent of their expense, should be deducted from the accounts, which would place 6,000 l. more at the credit of the Settlements.

CONVICTS.

Value of convict labour in 1859-60 as stated by Colonel Cavenagh, and expenditure for convicts.*

	ESTIMATED VALUE.	EXPENSES.
Singapore	Rs. 162,230	Rs. 117,578
Penang	95,470	77,330
Malacca	32,742	29,987
	Rs. 290,442	224,895
	224,895	
Surplus - - -	Rs. 65,547	

Mr. Blundell estimates the value of convict labour in 1858-59 to be—

	Rs.
Singapore	149,880
Penang	102,570
Malacca	33,550
	286,000
Cost - -	237,900
Surplus - - -	Rs. 48,100

The convicts are, therefore, a great economy to Government, since, calculating their labour at "two-thirds of the value of free labourers," they show a profit of from 50,000 rupees to 60,000 rupees annually.

The published statements of the revenue and expenditure of the Straits Settlements have generally shown an apparent excess of the disbursements over the receipts, but this has arisen from the gross payments made for the military serving in the Straits being brought into account, and, taking into view the large sums now being laid out in the erection of fortifications, barracks, &c., the deficit will for some time to come be greater than ever. It is contended, however, that the whole of these charges should not be imposed on the local revenues, for the following, amongst other reasons:—

Singapore is, from its position, the key of the China, Indian, and Java Seas, the chief coaling dépôt for Her Majesty's ships and mail steamers, and in a strategic point of view of great importance to Great Britain. As a station for the location of troops for transmission, in case of need, to India, China, or Australia, it is also of great value, whilst the manifest intention of the French to establish themselves permanently in Cochin China, renders it a national necessity, as well as an imperative duty, that the chief burthen of the defence of this settlement, should be borne by the Imperial Government, and not by the local treasury.

Pinang for almost the same reasons is entitled to similar consideration.

If the actual requirements of the three settlements are considered, in as far as the local interests are concerned, apart from the imperial, the force necessary for the suppression of the turbulent, and the control of the neighbouring native States, need be but of a very limited nature, and it is, therefore, the opinion of the Chamber of Commerce, that to charge the Straits Settlements with the whole military expenditure, entailed by the present extensive system of fortification, is unjust in principle, and not warranted by the custom which has prevailed up to the present in the British dominions.

The force that has hitherto been maintained in the settlement, has been we believe, mainly considered as a guard to the numerous convicts sent hither from Continental India, but as the Andamans have now become penal settlements in lieu of the Straits, so large a force will no longer be required for purely local purposes.

A corps

* See Colonel Cavanagh's Report for 1859-60, page 12.

PAPERS RELATING TO

400 rank and file at Singapore.
 350 " Pinang.
 150 " Malacca.

A corps of 1,000 native troops, levied in Continental India, or in Burmah, not in the Straits Settlements, would fully suffice for the local wants, and might be divided as per margin.

The probable cost of this body of men, which if allowed to bring their families with them, would form a valuable local corps, would, it is estimated, be about 30,000 £. per annum.

The value of the present garrison may be gathered from the following extract from Mr. Blundell's report (Military, section 3): "The same regiments, viz., the 14th and 22d, garrison the Straits, as during the preceding year. Both regiments, however, have been much reduced by sickness, and comprise barely sufficient men to furnish the usual reliefs for the several posts and guards." A great part of the military expenditure is caused by the repatriation of the sick.*

The objections to a corps raised in the Straits Settlements are, 1st., that the Malays, the chief element from which it would have to be taken, would not come forward in sufficient numbers; and 2d., they would be so much under the rule of their native chiefs, that no dependence could be placed in them. Goorkas, Punjabees, or Burmese would probably prove the most efficient, and would stand the climate better than most.

The Chamber considers that only a few additions to the present establishments of the Government in the Straits, will be required on the transfer of the settlements to the Colonial Office. Owing to the very low rates of pay given to the subordinates in the different departments, there is a want of efficiency in some of them, throwing an undue amount of mere detail work upon the heads. This might be remedied by a very moderate addition to the present scale of salaries.

It is suggested that the allowances to the Governor should be augmented to 5,000 £., and that, in addition to the ordinary duties of his office, he should exercise the functions of Her Majesty's Commissioner and Superintendent of British Trade in the Indian Archipelago and adjacent countries, with power to enter into engagements with native powers, and having jurisdiction over the British Consuls in Netherlands India, Borneo, Siam, Cochin China, &c.

The additional offices and salaries which the Chamber ventures to recommend are as follows:—

	£.	Rs.
Governor, additional	800	8,000
Colonial Secretary	1,500	15,000
Puisne Judge, Singapore	1,800	18,000
Attorney General, Singapore	600	6,000
Public Prosecutor, Penang	600	6,000
Assistant Magistrate, Singapore	600	6,000
European Interpreter for Chinese, Singapore	500	5,000
Ditto Penang	500	5,000
		69,000
Additions to existing salaries		7,000
		76,000

¶ In consideration of the duties of Her Majesty's Commissioner and Superintendent of British trade being discharged by the Governor, the Chamber submits that a portion of his salary should be defrayed by the Imperial Treasury, and that, as the court of judicature at Singapore has been constituted a tribunal for hearing appeals from the consular court at Bangkok, and for the trial of offences committed by British subjects there in certain cases, a portion of the judicial expenses at Singapore ought, in like manner, to be borne by Her Majesty's Government.

Singapore, April 1861.

SKETCH ESTIMATE of RECEIPTS and DISBURSEMENTS at *Singapore*, for the Year 1861-62.

RECEIPTS.	AMOUNT.	TOTAL.	DISBURSEMENTS.	AMOUNT.	TOTAL.
Excise:			Judicial:		
Opium farm	Rs. a. p.	Rs. a. p.	Salaries	Rs. a. p.	Rs. a. p.
	648,678 5 -		Establishment	51,780 - -	
Spirit farm			Contingencies	17,100 - -	
Toddy and baang farm				20,398 9 -	89,258 9 -
Land:		743,387 15 -	Ecclesiastical:		
Quit rent			Chaplain's salary	9,600 - -	
Purchase money			Church establishment	936 - -	
Transfer and survey fees		4,000 - -	Contingencies	600 - -	11,136 - -
Judicial:		46,000 - -	Post Office:		
Court of requests fees		16,200 - -	Post Master's salary	3,960 - -	
Sheriff's - ditto		6,000 - -	Establishment	5,596 13 -	12,000 - -
Straits Lights:		22,200 - -	Contingencies	2,443 3 -	
Light dues		20,000 - -	Marine:		
General:			Salaries	6,000 - -	
Postage stamps		60,000 - -	Establishment	36,014 - -	85,302 - -
Post office collections		36,000 - -	Contingencies	43,288 - -	
Pawnbrokers' licenses		17,859 6 -	Imports and Exports:		
Registry of vessels, &c.		2,000 - -	Salary of deputy registrar	3,000 - -	
Ditto of cargo boats		240 - -	Establishment	2,400 - -	5,545 - -
Ditto of marriage		55 - -	Contingencies	145 - -	
Rents of markets		33,680 - -	Public Works Department:		
Deductions made on account of clothing for the European seamen's hospital		2,880 - -	Salary of chief engineer	16,000 - -	
Miscellaneous		15,000 - -	Establishment	9,444 - -	
Marine:		167,714 6 -	Extra ditto	300 - -	
Freight and hire of Her Majesty's steamer "Hooghly"		2,400 - -	Travelling allowance and contingencies	1,800 - -	27,544 - -
Profits and Loss:			Executive Engineer.—Singapore Division:		
Profit on exchange		360 - -	Fixed salaries	21,404 - -	
Probable deficiency		386,569 6 5	Establishment	4,692 - -	
Total Company's Rupees		1,388,631 11 5	Extra ditto	600 - -	
			Travelling allowance and contingencies	1,020 - -	27,716 - -
			Executive Engineer.—Tanglin Division:		
			Fixed salaries	7,464 - -	
			Establishment	3,300 - -	11,734 - -
			Extra ditto	360 - -	
			Travelling allowance and contingencies	610 - -	413,559 - -
			Expenditure upon works	- - -	
			Convict Department:		
			Share of superintendent's pay	3,000 - -	
			Share of assistant's pay	1,800 - -	
			Establishment	14,000 - -	
			Money allowance to convicts and gratuity to convict artificers	29,400 - -	
			Contingencies, including clothing	11,700 - -	59,900 - -
			Local Gaol:		
			Share of superintendent's pay	1,200 - -	
			Establishment	600 - -	
			Money allowance	7,000 - -	
			Contingencies, including clothing	1,200 - -	
			Printing press	2,000 - -	12,000 -
			Survey Department:		
			Surveyor General's salary	8,640 - -	
			Establishment	5,700 - -	
			Contingencies	1,230 - -	15,570 - -
			Land Office:		
			Establishment	3,000 - -	
			Contingencies	240 - -	
			General:		
			Salaries	75,172 8 -	3,240 - -
			Establishment	13,344 - -	
			Contingencies	1,234 - -	
			Medical:		
			Salaries	15,240 - -	89,750 8 -
			Establishments	9,110 - -	
			Contingencies	10,744 12 -	
			Schools:		
			Allowance to the Singapore institution	5,214 6 -	35,094 12 -
			Allowance to the vernacular schools	3,300 - -	
			Pensions:		
			Political	21,555 2 -	8,514 6 -
			Local	4,440 - -	
			Military:		
			About 20,000 rupees a month	- - -	25,995 2 -
			Commissariat department	- - -	240,000 - -
			Loss on exchange	- - -	196,772 6 -
			Total Company's Rupees	- - -	18,000 - 5
					1,388,631 11 5

SUGGESTIONS for the future ADMINISTRATION of the BRITISH COLONIES
in the STRAITS of MALACCA.

OUR three Colonies in the Straits of Malacca, which have between them an area of little more than 1,500 square miles of land of rather indifferent quality, and lying within five degrees of the equator, must be considered essentially valuable only as commercial emporia.

By a Census taken in the present year, their populations were found to be as follow:—

Singapore	81,792
Penang	124,772
Malacca	76,267
TOTAL	282,831

Independent of this fixed population, there is at all the settlements, but more especially at Singapore, a floating and temporary one, consisting of mariners and immigrants, the latter chiefly Chinese, preparatory to their dispersion in the neighbouring countries. This floating population has been reckoned for Singapore at some 10,000, and for the three Colonies will probably make the aggregate number of inhabitants not fewer than 300,000. But besides this, there is in the native territory adjacent to Singapore, and under an ally residing permanently in the island, a considerable Malay and Chinese population engaged in agricultural pursuits, who are not only producers of articles for export and consumers of British manufactures, but contribute also materially to the public revenue, through an arrangement with their chief.

The united exports and imports of the three Colonies in 1859-60 were as follow:—

	£.
Singapore	10,371,300
Penang	3,530,000
Malacca	920,000

A comparison of the trade of the Straits Colonies with the trades of the principal ports of British Continental India and of the Dutch possessions, will show the value of the commerce which is conducted through them.

	£.
Bombay	37,400,000
Calcutta	32,500,000
Straits Colonies	14,821,300
Batavia	14,300,000
Madras	9,000,000

Under the head of Batavia, it is to be observed, that there is included the entire trade of the Dutch possessions, estimated to have a population of from 16,000,000 to 17,000,000. The Straits Colonies, it is true, contribute but in a slender degree by their own produce to the large trade carried on at them; but the same observation applies in a considerable degree to Bombay, now the seat of the largest trade of our continental possessions.

In 1859-60 the public, exclusive of the municipal, revenues of the free Colonies were as follow:—

	£.
Singapore	77,465
Penang	30,179
Malacca	16,907
TOTAL	124,551

The municipal revenues, or rates, were the following:—

	£.
Singapore	9,040
Penang	5,459
Malacca	1,432
TOTAL	15,931

The total taxes raised in the settlements will be—

	£.
Singapore	86,505
Penang	35,638
Malacca	18,339
TOTAL	140,482

The rate of taxation a head which these figures give is,—for Singapore, 21s. 1 $\frac{3}{4}$ d.; for Penang, 5s. 8 $\frac{1}{2}$ d.; and for Malacca, 4s. 9 $\frac{1}{2}$ d. The average for the three Colonies gives nearly 10s., which is about double the rate in the British continental possessions, even including the opium tax of 5,000,000*l.*, which is paid, not by our own subjects, but by strangers. In Singapore the rate of taxation is four-fold what it is in Continental India.

The great discrepancy which exists in the tax-paying capacity of the three Colonies depends chiefly on the prevalence or otherwise of the Chinese element in their populations. In Singapore it amounts to 61 in 100, in Penang to no more than 30, and in Malacca only to 13.

The revenue is, with very trifling exception, a nett one, the principal branches of it being farmed. The farmers are always Chinese, who are very expert men of business. The practice of farming excise and customs is universal in the Malay and Philippine Islands, and having proved, by long experience, not only more productive, but less oppressive than collection through public officers, ought to be continued.

The chief sources of the public revenues of the three Colonies consist in an excise on the retail of prepared opium, and on the sale of ardent spirits and wine. The minor ones consist of the proceeds of the sale of wild lands, of quit-rents accruing from lands sold on long leases or in perpetuity, the rents of markets the property of Government, pawnbrokers' licenses, and judicial fees and fines.

The public expenditure of the three Colonies for 1859-60 was as follows:—

	£.
Singapore	37,138
Penang	25,425
Malacca	18,688
TOTAL	81,251

From this statement it will appear that the revenue of Singapore exceeded the expenditure by the sum of 40,327*l.*, and that of Penang by 4,754*l.*; while at Malacca, for a reason afterwards to be explained, there was a deficit of 1,781*l.* For the united Colonies the surplus revenues amounted to 43,300*l.*

Some part, however, of the existing expenditure is unfairly charged to the three Colonies. This is eminently the case with the charge for convicts of Continental India, of Ceylon, and of Hong Kong. In 1859 their number, and the charge incurred for them in the three Colonies, were the following:—

	NUMBER OF CONVICTS.	COST.
Singapore	2,275	£.
Penang	1,256	11,377
Malacca	532	7,733
TOTAL	4,063	22,108

In the report of the Governor of the Straits Settlements for 1859-60, the labour of the convicts is asserted to be not only equal to the cost of their maintenance, but as even yielding a considerable surplus as profit. The value of their labour is thus given:—

	£.
Singapore	16,223
Penang	9,547
Malacca	3,274
TOTAL	29,044

We have here, then, a supposed profit of no less than 6,932*l.* The conclusion come to by the Governor, on the report of the superintendents appears to me most erroneous, and I will state my reasons for thinking so. The labour performed is unskilled labour; it is that of prisoners, many of whom are malefactors, and who work only by compulsion. It is in the manner of day labour, without wages, and its amount must, in the nature of things, be small, since there is an absence of all inducement to industry. Besides this, the great majority of the convicts, natives of Bengal, constitute as to race by far the least industrious element of the inhabitants of the Colonies, the Malayan alone excepted.

In what manner the value of the convict labour has been estimated does not appear; but there is a discrepancy between the valuation made of it at the three Colonies which shows that it is purely arbitrary. The profit is represented as largest in Singapore, where the cost of maintenance is greatest, and smallest at Penang and Malacca, where it is notoriously less.

Then the additional military and police force, rendered necessary by the presence of the 4,000 convicts, is not taken into account, nor is the injury done to society by the existence within it of so considerable a body of felons. The Governor argues that the presence of the convicts is an advantage, since it tends to keep down the wages of labour; but I am confident that this is a mistake, and that they only forestall the market with bad labour, discouraging the ingress of legitimate labour, of which there is abundance at hand.

I am satisfied, then, that the valuation made of convict labour is entirely delusory. No such valuation was ever made before in the same places; nor am I aware that the labour of prisoners has in any part of the world been found equal to the expense of maintaining them.

More work would be performed by the contract labours of a few hundred Chinese than by that of the 4,063 convicts, among whom there are 232 women, from whom no work is exacted. As the Indian Government has, however, resolved to remove the convicts, or at least not to send any more, the sums which they now cost must in the meantime be added to the surplus revenue, and the work they perform, whatever that may be, brought under the regular charges. To charge the Straits Colonies with the maintenance of the convicts of Continental India appears to me to be of the same unfairness as if we ourselves were to burthen the Australian Colonies with the support of the convicts which we transport to them.

The local naval establishment maintained for the three Colonies amounts to an armed steamer, two gunboats for Singapore, and one for each of the other two Colonies. The steamer, an old, slow, and worn-out one, is useless for every purpose except that of conveying the public functionaries from station to station. The gunboats are equally worthless, and both steamer and gunboats may well be dispensed with when Her Majesty's Navy in the Eastern Seas is disengaged, and can render that effectual service which has been found impossible pending our contest with China.

The naval charges were, as follow, for each settlement:—

	SINGAPORE.	PENANG.	MALACCA.
	£.	£.	£.
Steamers - - - - -	2,569	2,569	2,569
Gunboats - - - - -	1,990	491	491
Total - - - - £.	4,559	2,960	3,060

The total amount of the needless charges come to 8,899*l.*, and may be added to the surplus disposable revenues.

There are, however, some other charges which seem to be unfairly fixed on the Colonies. These consist of a Surveyor General for the united settlements, costing 900*l.* a-year, an ecclesiastical establishment, which for Singapore comes to 1,372*l.* I am not in possession of any statement of the expense incurred under this head for the other two Colonies, but if it be of the same amount, the total amount will be 4,116*l.*, with a medical establishment, which for Singapore amounts to 2,290*l.*, and if equally great for the other two will make 6,870*l.* The sum of these three surplus charges will be 11,888*l.*, to be added to the unappropriated revenue already stated.

My reasons for objecting to these charges may be briefly stated. A Surveyor General for the three Colonies is uncalled for, seeing that there exists besides, a separate Surveyor and establishment for each Colony. With respect to the ecclesiastical establishment, it is maintained at the expense of the whole community for a very slender fraction of the followers of the National Church, while the vast majority, including not only natives but Dissenters and Catholics, support their own besides. A Colonial medical establishment seems uncalled for when the military have their own medical officers, and there is no want of private practitioners.

The disposable revenues of the three Colonies will, in this case, be as follows:—

	£.
Balance of Revenue	43,300
Convict charges	22,108
Marine	8,899
Miscellaneous	11,888
TOTAL	86,195

To this surplus revenue is to be added an increase in the excises of Singapore and Penang, without including Malacca, ascertained to have taken place in April last, when these branches were farmed for a period of three years. This gives an addition for Singapore of 16,100*l.*, and for Penang of 5,557*l.*, making a total of 21,677*l.*, which added to the already computed surplus, will make a disposable fund of 107,872*l.*

I may here explain the cause why the revenues of Malacca fall short of the expenditure. It arises from the fact that this small settlement is charged to the same extent as the two larger ones with the general expenses incurred for the joint government of the three Colonies, an arrangement which is neither in proportion to population, revenue, or services rendered. In 1858-59, I find these charges to have amounted for each settlement to 6,928*l.*, or for the three to 20,784*l.* If this charge were proportioned to the united revenues of the other two Colonies, for Malacca it ought to have been only 1,015*l.*, which, instead of a deficit of 1,781*l.*, as it now exhibits, would give it a surplus of 5,564*l.*, the general surplus of the three colonies remaining, of course, unaltered.

If the surplus revenue which I have now stated should be found inadequate, I am convinced, from what I know personally of the Colonies, that there would be no difficulty in increasing its amount for every legitimate purpose; and this would be voluntarily and cheerfully effected by a local government in which the taxpayers had some share.

The effectual means of doing this, at once, would consist in the restoration of the tax on gaming. As this is a subject little understood and liable to misconstruction, I shall enter into some explanation of it. Such a tax exists in the Dutch and Spanish possessions in the Eastern Islands, and existed also in Bencoolen, Penang, Malacca, and Singapore, down to the year 1827, when, on a presentation of the grand juries of Singapore and Penang, it was suppressed, in my view injuriously, whether with a view to police or revenue.

Gaming, whether public or private, seems to be absolutely prohibited, according to the law as at present enforced; and it seems doubtful whether a rubber at whist or a game at backgammon, may not come under the category of prohibition. The results of this interdict are obvious; gaming goes on clandestinely, and the attempts at suppression are a perpetual source of vexation to the public and of corruption to a venal police, bribed to connive at it, while the revenue which would accrue from it is wholly lost to the Government. The Governor, in his Report for 1859-60, states, that "during the year 99 warrants had been issued against gambling-houses; but although 95 had been executed, only 338 persons were apprehended." This, as far as I can discover, refers to Penang only, while for the other two settlements there is no statement. The fact, however, is quite sufficient to show the extent to which the propensity to gaming exists, and the difficulty, or, more correctly, the impossibility of suppressing it. It is almost wholly confined to the Chinese and Malays, who simply consider it as an amusement, having, indeed, hardly any other recreation.

We attempt to suppress gambling because it is amenable to abuse, but it is certainly not more so than the use of opium and ardent spirits, taxes which, in the same Colonies, are the main sources of the public revenue. I am entirely satisfied that it will be expedient openly to license and to tax a vice which an experience now of thirty-four years ought to satisfy us that it is impossible to eradicate. Even at present, the local governments find themselves under the necessity of licensing gaming annually, for several days, at the Chinese new year. We may, however, regulate and control, even, indeed, restrict, gaming by taxing it. Let it be remembered that it is not for Englishmen, nor even for Indians, but for Chinese and Malays, that we have to legislate. When, therefore, we aim at abolishing gaming with such a population, it seems to me that we legislate in opposition to the genius of society; in a word, enact a law which it is impossible to execute.

I may here state the results of my own personal experience. When, in 1823, I took charge of the civil administration of the settlement of Singapore, then in its infancy, I found that my predecessor, the late Sir Stamford Raffles, had, as I thought, on erroneous grounds, abolished the gaming license. I restored it, using such arguments as I am now employing in support of the measure, which was of course submitted for the approbation of the Governor General. That approbation I received, and the system I established went on until 1827, when the Grand Jury, as already stated, presenting it as a nuisance, it was abolished, although contrary to the judgment of the then Governor, Mr. Fullerton, a man of talents and long financial experience. In 1824-25, the first complete year after its restoration by myself, the license yielded a nett revenue of 25,680 Spanish dollars, and in 1827 its produce was 30,380 Spanish dollars, which was by near one-fourth more than the opium tax yielded for the same year, that impost which has ever since constituted the largest branch of the public income.

From 1823 to 1827 it had, in fact, kept pace with the increase of population, and there is no reason for believing that it would not have continued to do so up to the present time, in the same manner that the revenues from opium and ardent spirits have done. When the revenue derived from gaming in 1827 was what is above stated, the population was 12,000; with the present population it ought now, therefore, to amount to 207,070 Spanish dollars, at the present rate of exchange of 4*s.* 9*d.* to the dollar, equal to 47,453*l.* On the same principle the revenue of Penang would amount to 19,261*l.*, and that of Malacca to 10,356*l.*, making the total income of the three Colonies from this source 77,070*l.*

According to the present rules against gambling, play is carried on clandestinely, instead of openly and under control and regulation, while a large revenue is sacrificed, much of which goes to bribe and corrupt the police. This, then, is the result of an experience of three-and-thirty years. Some course must, therefore, be adopted for the restriction of a vice which it is no more in our power to put an end to, than it is to eradicate the religious superstitions of the parties who indulge in it. I cannot, for my own part, imagine any remedy so effectual as making the indulgence expensive by taxing it, in the same manner as all civilized nations do the abuse of strong drinks and other stimulants. Some well-meaning parties have suggested the substitution of corporal punishment and imprisonment for the heavy pecuniary fines at present imposed, but assuredly the nature of the offence would not warrant such penalties, while their infliction would only produce greater secrecy, opening a wider field of corruption to the police. I have sometimes thought that the practice pursued by ourselves of taxing gaming, not through the locality but through its implements, cards and dice, might be introduced in the Straits Colonies, since this would be unquestionably legal, and in strict uniformity with our own practice.

In the event of the tax on gaming being restored under stringent and judicious rules (and I have to observe that the grand juries which once presented it as a nuisance now pray for its restoration), there would remain, estimating its produce at the amount I have stated, a clear surplus of 184,942*l.* for the three Colonies, after paying all the charges which I have enumerated, according to the existing establishment. These charges, however, do not include the military, which, in my opinion, may all be defrayed from local resources, except in so far as they may be incurred for general and imperial purposes; such, for example, as that of converting Singapore into a naval and military station.

There exist no sufficient data for estimating the whole military charges of the three Colonies; for those with which they are at present debited do not include the cost of the transport of troops from and back to India, nor pensions, and family money, all paid out of the treasury of continental India. The actual charges paid in 1859 were the following:—

	£.
Pay and allowances	23,836
Provisions	24,577
Contingencies	2,124
 TOTAL	 50,537

On the 15th of April 1860 a public return shows that the garrison of the three Colonies consisted of 102 Europeans, being artillery, and of 1,766 natives, consisting of artillery and of regular infantry. All these troops were of the Madras Presidency. The military charge had increased in this year, and amounted to 54,966*l.*

I venture to suggest that this garrison is unnecessarily large and expensive, and that one far more efficient and economical may be substituted. In lieu of European and native artillery from India, I would suggest the employment of the Royal Marines, and instead of regular native sepoys, a small Malay corps. The employment of marines would save the expense of transport, while alternate service ashore and afloat would, I imagine, be advantageous to the health of the force while on the Indian service. At the same time, marines accustomed to serve in small detachments would not suffer the same detriment to discipline as would infantry of the line under the same circumstances.

A force of 200 marines, or about double the present European force, would, I believe, be an adequate garrison for the three Colonies; namely, 120 for Singapore, 70 for Penang, and 10 for Malacca. I have been kindly favoured at the Admiralty with an estimate of the cost of such a force, and find that, including extra Indian pay to officers, and naval rations to the men, it would amount to 11,442*l.*

As to the suggested Malay corps, as a substitute for the regular native troops of India, I believe that there would be no difficulty in raising one of 500 men, which would, in my opinion, be a sufficient garrison of this description for the performance of the rough duties in a hot, although a healthy climate, which Europeans cannot perform without injury to health, and which indeed, I may add, even natives of continental India cannot so well perform, for the Malays are here at home, and from the maritime habits of the people equally fit to serve afloat as ashore.

From the information I have received, I am led to believe that men may be had at the rate of five Spanish dollars a month, without any bounty, but with rations, although of rice only. The corps should be of the nature of the irregular regiments of India, that is, have only a small number of picked European officers. As it will be often detached, I will suppose that its European officers will consist of a captain commandant, an adjutant, a medical officer, and a subaltern, for every 100 men. As to dress, I would suggest that it should

should make as little departure as possible from the native costume of the people, an attention to their habits which, while it would be attended with economy, would tend to reconcile them to regular military service.

I will suppose the ration of rice for each man to be $1\frac{1}{2}$ lb., and take the cost of that grain at the present Singapore price, and estimating the dollar at its usual value of 4s. 6d., I will sum up the total cost of the corps:—

	£.
Pay of 500 men	6,555
Rations	2,636
European officers on Indian allowances	2,992
TOTAL	12,183

In this statement, however, no allowance is made for the pay of native non-commis-
sioned officers, for clothing, arms, and accoutrements, for hospital charges, all of which,
however, I will suppose to raise the whole charge to the round sum of 20,000*l.* Adding
to this sum the charge of the European force, the cost of the whole of the suggested gar-
rison will amount to 31,442*l.*, which will be a saving of no less than 23,524*l.* over the
existing military expenditure.

Some of the parties with whom I have been in correspondence recommend, instead of a Malay corps, a well organised military police, as an adequate substitute for the expensive Sepoy garrison at present employed. Such a force they consider as quite equal to the performance of all the fatigue duties now performed by the regular Sepoys, the real garrison consisting, as it must ever do, of the European force. Such a scheme would be attended with less cost than I have estimated for the suggested Malay corps.

In addition to the European and native force which I have named, there will be valuable Volunteer Rifle Corps. At Singapore the corps already numbers 90, and at Penang 60; and both, it is stated, will in due time each reach to 100.

At both Singapore and Penang there are already good barracks for European troops, while in the first of these places the stone-built, well-raised, and well-ventilated convict barracks, on the removal of their present occupants, will accommodate 2,000 European soldiers, should it at any time be necessary to assemble so large a force.

There have lately been erected in Singapore extensive and costly fortifications, which from my own experience of the place, and my opinion is fortified by that of parties who have recently visited it, are, with very few exceptions, unsuitable and uncalled for, amounting, in fact, to a waste of public money in their construction, and a heavy military expenditure, should they be adequately garrisoned. The only effectual protection of the town and shipping of Singapore is a naval one; and this will appear evident enough from a brief sketch of the place.

The town, with the valuable property in it, lies on an open bay, fronting which is the anchorage, not a harbour but an open roadstead, safe enough in all weathers, from its geographical position close to the equator. In this roadstead the anchorage for ships of any considerable burden is distant two miles from the shore, the shallowness of the water within that distance precluding the approach of all except small native craft. The principal fortification is situated on a hill 150 feet high, and about a mile inland from the shore, and consequently about three miles distant from the main anchorage, where there usually lie not fewer than 100 sail of square-rigged vessels. From such a distance, or even from the nearer shore batteries, it is certain that the most powerful artillery would hardly be expected to injure an enemy, more especially when that enemy would take care to shelter itself among a crowd of merchantmen. Their estimated cost, I understand, is 83,572*l.*

The fortifications in question are understood to have been constructed without the knowledge of the local administration, and contrary to their judgment. I may therefore presume that the cost of erecting, repairing, and garrisoning them cannot be fairly charged to the colonial revenues.

Should the financial resources of the Straits Colonies reach the point which I have estimated, there would remain, after defraying the military expenditure, as I have reckoned it, a sum of 172,759*l.*, disposable for the increase and consolidation of civil establishments, for public works, and for contingencies. And I should here notice, that the revenues of the three Colonies, but more especially of Singapore, have always kept an equal pace with their advance in population and prosperity. With the financial improvements I have ventured to suggest, and even without recurrence to the tax on gaming, the revenues of Singapore and Malacca will be sufficient to meet every legitimate charge, and, with its help, those of Penang.

These notes would be incomplete without some suggestions respecting the form of government which it will be most expedient to adopt on the transfer of the Straits Colonies to the direct administration of the Crown, and I proceed to submit such as have occurred to me.

At present the three Colonies are under one Governor, with a Lieutenant Governor at each, under the designation of a Resident Councillor. The Governor, however, has no independent executive, legislative, or diplomatic authority, being nothing more than the ministerial agent of the Governor General of India. In legislation he sends confidentially draughts of laws to the Governor General in Council, and these are passed or rejected, as the case may be, by the Legislative Council of India, a body which, from its

position, is necessarily little qualified to judge of the questions which come thus before it, relating to populations and conditions of society with which it has no acquaintance.

When the Straits Colonies are placed under the direct control of the Crown, it is my deliberate conviction that the two principal ones, Singapore and Penang, ought to have separate and independent administrations. But for its inconsiderable importance and nearness to Singapore, I would have recommended a distinct administration also for Malacca, which it will be, on these accounts, expedient to annex to Singapore. The grounds on which I urge the utility of separate governments for Singapore and Penang are these: they are 400 miles distant, and have otherwise no more necessary connexion than West Indian islands at the same distance. Their finances, whether under one government or separate governments, must always be kept distinct, and the chiefs practically exercising their administrations ought to be in immediate communication with the Home authority, with all the direct responsibility implied by this relation. But perhaps stronger than any of these reasons for separate administrations will be the impossibility of having, under a single government, a Legislative Council that will be acceptable to Colonies so remote from each other; that is, a Council which shall partly consist of non-official members serving gratuitously.

As the government is at present carried on, the Governor resides for nine months of the year in Singapore, giving no more than three for the other two Colonies, including his voyages backwards and forwards. This is attended with uncalled-for expense, for I find from the public accounts that the annual charge, exclusive of the Governor's salary, is put down at 14,684*l.*

At present, under the designation of Resident Councillors, there is, as already stated, a Lieutenant Governor at each of the three settlements. For Singapore and Malacca jointly, I venture to propose that the salary of the Governor should be 4,000*l.*, which is at present that of the Governor of the Straits Settlements. In proportion to its importance, a salary of 3,000*l.* would be an adequate one for the Governor of Penang. In this case the Resident Councillors, or *quasi* Lieutenant Governors of Singapore and Penang, would be dispensed with; and as their salaries are 1,750*l.* each, or between them 3,500*l.*, there would be even a small saving in the change. A Lieutenant Governor would be necessary for Malacca, in substitution of the present Resident Councillor, whose salary is 1,200*l.* a year, which might be raised to 1,500*l.*

For the executive administration, the principal functionaries will necessarily be a Colonial Secretary, a Treasurer, an Accountant General, an Auditor General, and an Attorney General. These offices will apply to the two principal Colonies; and as the duties to be performed will not be onerous, I would suggest that the Colonial Secretary should be also the Treasurer, while one functionary should discharge the joint offices of Accountant and Auditor General. At Malacca, the Lieutenant Governor would be also the Treasurer, while a Secretary would discharge also the duties of Accountant, the accounts being audited in Singapore.

There ought to be a Legislative Council at each of the two principal Colonies, which, besides the principal functionaries of the Executive Government, and a Judge of the Queen's Court, with the Commander of the Troops, should have two or three persons not in the public service, and, of course, discharging their duties gratuitously. These last would consist of merchants only, for there exists in Singapore and Penang no distinct planting interest requiring a peculiar representation. The parties would be named by the Crown for a limited period, perhaps two years; and the Governors, in submitting names for the approval of the Crown, might be required to have, for at least one member, the recommendation of the Chambers of Commerce, the only bodies in the two Colonies independent of the Government.

Malacca would, of course, be without a Legislative Council, all legislation for it being made in Singapore. Here, indeed, in so far as non-official members are concerned, there exist no materials for a local Council, as there are no British merchants, while at the same time the interests of the two places are so intermixed by their commercial connexion, that the merchants of Singapore, both native and European, may be considered to represent the interests of Malacca equally with their own.

In the selection of the non-official members of the Legislative Council, the only requisite qualifications would be that the parties were subjects of the Crown, and that they possessed an adequate acquaintance with the English language. This would leave the choice open, without reference to race or colour. The parties appointed in the first instance would certainly be British-born subjects, but eventually, should it be found expedient, Chinese or others might be named. Meanwhile, it is certain that the appointment of Europeans would be most acceptable to the native inhabitants themselves, who invariably place more confidence in them than they do in one another, a fact sufficiently attested by their invariable reference to them as arbitrators. This preference is also proved by the elections made of non-official members to the existing Municipal Council. These are by the choice of ratepayers, who, although the great majority be natives, always return Europeans.

The Governors of Singapore and Malacca will naturally be the agents of the Secretary for Foreign Affairs with native princes. These parties will, however, be few in number, for they will exclude all the Governments subject to the authority of the Dutch and those with which we have consuls. They will embrace only the chieftains of the Malayan Peninsula,

Peninsula, some of those of the eastern side of Sumatra, with perhaps the King of Cochin China. These may be divided between the two Governors, in the proportion as the commercial intercourse of their States is with the one or the other Colony.

I have but few remarks to offer on the judicial system. The laws administered are those of England, modified to suit the manners of the Asiatic parts of the population. They are at present administered by Recorders' Courts—one for Penang, and one for Singapore and Malacca jointly. The Court of Penang requires no essential change, but the work to be done in Singapore and Malacca has far outgrown the powers of a single judge. This will be evident when I state that the court is vested with all the jurisdictions of all the courts of record of England; that the population of the two Colonies, independent of the migratory one, amounts to 158,000; that, independent of numerous native craft, the roads of Singapore alone seldom contain fewer than 100 sail of square-rigged vessels; that the joint exports and imports of the Colonies amount yearly to 14,000,000*l.*; and that the single judge has to perform circuits to Malacca, a distance little short of 100 miles.

Under these circumstances, I venture to suggest that for the present Recorder's Court there should be substituted a Supreme Court, with a chief justice and puisne, the first with a salary of 3,000*l.*, and the second with one of 2,500*l.*, the last sum being that of the present recorder. In this case the only additional expense incurred would be the salary of the chief justice. The judges would alternately make circuits to Malacca, while the business of Singapore, the main one, would not, as now, stand still in the absence of a judge.

At present, Malacca is unfairly charged with "one-half" the cost of the recorder and his court; and I would therefore suggest that the whole expense of the new court should be borne by Singapore, which receives by far the best part of its services; Malacca to be burdened only with the expense of the judge's circuits to it. This, with the cessation of the charge for the government of the Straits, would enable Malacca to meet its whole expenditure, even according to its present revenue.

I shall conclude these notes with a few remarks on the monetary system of the Straits Colonies. In all mercantile transactions, the Spanish dollar is the standard of value, all other coins being considered as mere bullion. Such has been immemorially the case throughout the whole Malay and Philippine Archipelagos, except in the Dutch possessions, where, with much inconvenience, the guilder or florin has been introduced. The convenience of maintaining the dollar as the currency of the Straits Colonies is further proved by its being the currency, although not the legal coin of China, Cochin China, and even Siam, all countries in commercial relations with the Straits Colonies. In the public accounts, the Indian rupee is the denomination in which they are at present kept; and an attempt was made a few years ago to make this money the only legal tender in all transactions, but great inconvenience having been experienced, it was judiciously abandoned; and I am satisfied that no attempt to introduce even British money as the sole legal tender should for the present be made, although it may be convenient to adopt it in keeping the public accounts.

The standard dollar is the "peso duro," Pillar or Carolus dollar, containing 370.9 grains, of pure silver. This is divided into 100 parts, represented by copper tokens of a cent, half-cent, and quarter-cent, coined in the mint of Calcutta, and which have a wide circulation in many parts of the Archipelago, being much preferred by the natives to the Dutch doit, nearly the only other small money known to them.

Our present bronze coinage will be a suitable substitute for the present copper currency, our halfpence representing cents, and our farthings half-cents. To these, however, it will be necessary to add half-farthings, or quarter-cents, on account of the small payments which the poverty of the natives and the comparatively low price of the necessaries of life call upon them to make. In the bronze coin struck for the Straits Colonies, for the figure of Britannia on the reverse should be substituted the denomination, as cent, half-cent, and quarter-cent. The Government of Java derives a considerable revenue from the sale of the Dutch copper money, and a similar advantage will accrue to the Straits Colonies.

The merchants of Singapore strongly recommend the coining of an English dollar of the exact value of the Spanish "peso duro," and are satisfied that it would tend greatly to facilitate the trade of the Archipelago, as it would not only be widely circulated within it, but be extended to China and the other neighbouring countries at present perplexed by several kinds of dollars of unequal value, while the old dollar of Royal coinage, that in greatest esteem, has become very scarce.

I must not conclude these notes without acknowledgment of the sources from which much of the information on which they are founded has been derived. These are, a very able report on the three Colonies, by their present Governor, Colonel Cavenagh, for the year 1860-61; the personal communications of British merchants of Singapore and Penang, now in England; with the correspondence of enlightened and experienced gentlemen of the two Colonies.

(signed) *J. Crawfurd.*

MEMORANDUM on the FINANCES of the STRAITS SETTLEMENTS.

THE Returns of 1860-61 make the public revenues of these Colonial possessions as follow:—

	£.
Singapore	96,568
Penang	36,776
Malacca	16,454
Total	149,798

Besides these, there is a municipal revenue, which, for 1859, the latest in my possession, showed the following sums:—

	£.
Singapore	20,341
Penang	12,283
Malacca	3,227
Total	35,851

Both branches of revenue increase steadily from year to year. Thus the general revenues of Singapore had risen in 1860-61, by very nearly 20,000 £. beyond those of the preceding year, while the municipal revenues of the three Colonies, as above quoted, had risen in two years by the sum of 11,425 £. The general revenue is, it should be observed, nearly a nett one, being raised by farming.

The total revenue raised amounts to 185,649 £., which, on a computed population of 225,000, gives a rate of taxation of better than 16 s. a head, which is double the rate of any part of British Continental India, and a higher one than that of any of Her Majesty's 50 Colonies, the more flourishing Australian ones excepted.

The general civil charges, excluding municipal ones, were, for 1860-61, the following:—

	£.
Singapore	63,317
Penang	27,280
Malacca	26,131
Total	116,728

Deducting expenditure from revenue, there would remain a balance for military charges of 33,070 £.; but among the so-called civil charges of the Colony of Singapore, there is included a sum of 30,000 £., contributed towards the building of expensive barracks for European troops, there being no European troops to fill them; so that the actual balance available for military purposes reaches 63,070 £., a sum quite adequate to the payment of any garrison that can be necessary for the safety of Colonies which are capable of effectual defence only by a naval force.

The national importance of the Straits Settlements is shown by the extent of their trade, which, according to the public returns for 1860-61, considered to be greatly under-valued, was as follows:—

	£.	IMPORTS.	EXPORTS.
		£.	£.
Singapore	5,812,688	5,812,688	4,187,874
Penang	1,688,882	1,688,882	2,097,225
Malacca	415,640	415,640	294,625
Total	7,917,210	7,917,210	6,579,724

These figures show the value of the settlements as commercial emporia; but independent of this, in the present state of our Indian Empire and our connexion with China, the adjacent kingdoms, and the Indian Islands, they are indispensable as naval stations and ports of refuge. Singapore and Penang have both of them perfectly safe harbours, and the first convenient docks, equal to the repair of the largest steamers that have yet frequented the Indian Seas.

A sum

A sum of 60,000*l.* ought to be sufficient to defray the cost of any military force that would be required for the protection of settlements, the defence of which from an European enemy, the only one by which they are assailable, must ever depend on our navy. As I stated in a former paper, the essential force ought to consist of Royal Marines, the one which would be most suitable to the situation, most cheaply maintained and relieved, and of which the discipline would be best preserved. If a Malay corps were thought inexpedient, a well-organised native police, with a proper proportion of European serjeants and superintendents, would effectually perform the fatigue duties, which are at present, at an inordinate cost, discharged by regular Indian Sepoys. With such a system of defence, the Straits Settlements would prove the most economically maintained of all Her Majesty's Colonies. Even, however, if their revenues did not suffice to cover their whole civil and military charges, it cannot be denied but that the national benefit derived from them would entitle them to some contribution from the State.

Were such contribution necessary (and I am of opinion that, with a careful administration, it would not) it might be furnished jointly by the British and Indian Governments in the respective proportions of the benefit they received from the settlements, the amount of the trade of each being the test of their respective shares.

The earnest desire of the inhabitants of the Straits Settlements, native and European, to be transferred from the Indian to the Colonial Department, arises from the conviction that their interests are better understood in England than in India, while England itself has a much greater interest in them than India has. (With the exception of the single article of opium, the latter furnishes little to the trade of the Straits, and receives less from them. On the other hand, the principal trade of the Straits Settlements is with England; and as proof of the value and rapid growth of this branch of our commerce, I quote from the returns of the Board of Trade. In 1856, the exports of British produce to Singapore, &c., &c., amounted to 872,014*l.*, and in 1860 to 1,671,092*l.*, or within four years they had risen by better than 90 per cent. Our imports from the Straits Settlements, in 1856, were of the value of 806,499*l.*, and in 1860 they amounted to 1,054,042*l.* In 1861 there was a great decline in our exports to the Straits Settlements, corresponding to that which had taken place in most other branches of our export trade; for their value was no more than 1,026,018*l.*, being an increase of only 27 per cent. over those of 1856. It was very different with the imports, for they had risen to 1,944,515*l.*, being an increase in five years of better than 140 per cent.

(signed) *J. Crawfurd.*

My Lord Duke,

London, 20 April 1861.

It being understood that the administration of the British Possessions in the Straits of Malacca is about to be transferred to the Colonial Department, we venture to submit to the consideration of your Grace, as Her Majesty's Principal Secretary of State for the Colonies, the following notices and suggestions relative to these settlements, in the hope that they may furnish some data worthy of attention.

It is only necessary to add that all of us have resided either in Singapore or Penang for long periods, several for upwards of 20 years; that the majority are still connected with mercantile establishments in those ports, and that the details entered into, and suggestions offered by us, are dictated by the interest we feel in the continued welfare and prosperity of these valuable possessions of the British Crown.

We have, &c.

(signed)	<i>A. Guthrie.</i>	<i>J. Harvey.</i>
	<i>W. Napier.</i>	<i>H. T. Marshall.</i>
	<i>E. Boustead.</i>	<i>J. Guthrie.</i>
	<i>J. Fraser.</i>	<i>W. W. Shaw.</i>
	<i>L. Fraser.</i>	<i>M. J. Martin.</i>
	<i>W. W. Ker.</i>	<i>J. M. Little.</i>
	<i>H. M. Simons.</i>	

His Grace the Duke of Newcastle,
Her Majesty's Principal Secretary of State
for the Colonies, &c. &c.

The BRITISH POSSESSIONS in the STRAITS of MALACCA.

Historical sketch.

THE British Possessions in the Straits of Malacca, heretofore comprising part of the territories of the East India Company, consist of Penang, or Prince of Wales' Island, including Province Wellesley, Malacca, and Singapore; and, in the East, are generally known as the Straits Settlements.

Penang was ceded to the East India Company by the Rajah of Quedah, or Keddah, in 1786, when its only inhabitants were a few Malay fishermen; and in 1800, the slip of territory on the opposite coast, separated from the Island of Penang by a strait a little more than two miles in breadth, was obtained from the same Malay ruler, and has since formed part of the settlement of Penang, under the name of Province Wellesley. These acquisitions of territory were made the subject of a formal treaty, one of the principal conditions of which was, that the East India Company should pay annually to the Rajah of Quedah, the sum of 10,000 dollars as long as they remained in possession.

Malacca, which was first captured by the Portuguese in 1511, and taken from them by the Dutch in 1640, fell into our hands in 1795, and remained (with the exception of a short interval following on the Peace of Amiens) in our occupation until 1818, in which year it was reclaimed possession of by the Dutch, in terms of the treaty of Vienna of 1814. It was finally given up to us in 1825, pursuant to the treaty of March 1824, with the Government of the Netherlands.

Singapore was first occupied by the British early in 1819, when its only inhabitants were a few hundred Malay fishermen and pirates. The original treaty between Sir Stamford Raffles, and the Sultan and the Tumongong of Johore, the Malay sovereigns of the island, provided only for the establishment of a factory, within prescribed limits, for which they were to receive 5,000 dollars annually; but, after the objections made by the Dutch to our establishing ourselves on the island had been withdrawn in the treaty of 1824, a new treaty was concluded by Mr. Crawford with the same native authorities, by which the whole Island of Singapore, and numerous adjacent islets, were ceded in absolute property and sovereignty to the East India Company. This treaty provides for the payment of 33,200 dollars to the Sultan, and of 26,800 dollars to the Tumongong, together with a stipend for life to the former of 1,300 dollars a month, and to the latter of 700 dollars a month.

The Island of Penang is situated at the northern entrance of the Straits of Malacca, the capital, George Town, being in lat. $5^{\circ} 24' 15''$ north, and in long. $100^{\circ} 21'$ east. It is 13 $\frac{1}{2}$ miles long, varying in breadth from 10 to 5 $\frac{1}{2}$ miles, and contains an area of 68,400 acres. Province Wellesley lies on the mainland, immediately opposite, running north and south 25 miles, and of very unequal breadth, as it varies from 3 $\frac{1}{2}$ to 11 miles, and its estimated area is 151,000 acres.

Malacca also forms part of the mainland of the Malayan Peninsula, along the western coast of which it stretches in a north-westerly and south-easterly direction 43 miles, lying between lat. 2° and $2^{\circ} 30'$ north, extending inland, in some directions, 28 miles, and in others only 10 miles. The town of Malacca, which is pretty nearly equi-distant from the north-west and south-east extremities of the territory, is distant about 100 miles from Singapore, and 260 miles from Penang.

Singapore, which can scarcely be said to be within the Straits of Malacca, is situated at their southern extremity, and is separated by a very narrow, but navigable strait, from the most southerly part of the Malayan Peninsula. Exclusive of the smaller islands attached to it, it contains an area of about 206 square miles, and the town lies in lat. $1^{\circ} 17'$ north, and long. $103^{\circ} 50' 47''$ east. It is distant about 360 miles from Penang.

From the time of its cession until 1805, Penang was subordinate to Bengal, and the Government was administered first by a superintendent, and afterwards by a Lieutenant Governor. In that year it was raised to the rank of an Indian Presidency, under a Governor and Council, and its relations with the home authorities, and the Supreme Government of India, were the same as those of Bombay and Madras.

After its transfer to us in 1825, Malacca was governed by a Resident, subject to the authorities at Penang.

The affairs of Singapore were administered by Sir Stamford Raffles, as Lieutenant Governor of Fort Marlborough, or Bencoolen, with a Resident as chief local functionary, until 1823, when it was placed under Bengal.

In 1826, Malacca and Singapore were united to Penang, and the three stations were formed into one settlement, under one government, consisting of a Governor or President, with a resident councillor at each station as the chief local authority, under the designation of "The Settlement of Prince of Wales Island, Singapore, and Malacca," still continuing to constitute an Indian Presidency.

In 1830, during the administration of Lord William Bentinck, as Governor General of India, the Presidency was abolished, and the three stations were placed under the Government of Bengal, with a change in the designation of the authorities from Governor or President, and Resident Councillor, to that of commissioner and deputy residents. Owing, however, to the provisions of the letters patent, or charter, for the administration of justice in the Straits, it was found necessary, shortly afterwards, to restore the former designations of Governor and Resident Councillor, but the administration of the incorporated settlements was still continued under the control of the Government of Bengal until 1852, when it was placed in direct correspondence with the Supreme Government of India.

The

Geographical position.

Government.

The Straits Settlements were early made use of by the Government of India as penal stations for the reception of criminals transported from Continental India, and a large body of convicts was distributed throughout the three stations, and continued to increase, until consequent on the complaints of the inhabitants, an Act of the Legislative Council of India was passed in 1860, prohibiting the further transportation of convicted offenders from the Indian Presidencies to the Straits.

From 1807, a recorder's court had been established at Penang under letters patent from the Crown; and, simultaneously with the incorporation of the three stations into one settlement in 1826, a fresh charter was issued, constituting a court for the administration of justice, under the designation of "The Court of Judicature of Prince of Wales' Island, Singapore, and Malacca." By this charter a new recorder was appointed, authorised to hold his court at each of the three stations, and the Governor was made President, and the resident councillor of each station respectively judges of the court, in virtue of their offices. During the continuance of this charter, Penang was the chief place of residence of the successive recorders, who went on circuit to Singapore three times, and to Malacca twice, every year, chiefly to hold the criminal sessions, and for many years the civil business of the court at Singapore was almost wholly disposed of by the resident councillor of that station.

In 1837 the court was for the first time invested with Admiralty jurisdiction under a separate charter from the Crown.

Owing to the increase of the population and commerce of Singapore, it was found necessary to make provision for the more continued residence of a professional judge at that place, and accordingly, in 1855, a new charter was issued, reconstituting the court, and consolidating the charters, by which it was provided that the court should thereafter consist of two divisions, one for Singapore and Malacca, and one for Penang, with two judges, of whom one was to be "the Recorder of Singapore," and the other "the Recorder of Prince of Wales' Island."

This change came into operation early in 1856, and in accordance with the requirements of the new charter, the Singapore recorder proceeds on circuit to Malacca, which he has heretofore done twice every year, the other recorder being stationary within his own division of Penang. No alteration was made by this charter in the judicial position of the Governor or the respective resident councillors, but the judicial duties have, since its introduction, been wholly discharged by the two recorders. Under these successive charters justice has always been administered according to the law of England, both in civil and criminal cases.

By an Act of the Legislative Council of India, the insolvent law was for the first time introduced into the Straits Settlements in 1848, and a court established for the relief of insolvent debtors. By this Act the duty of acting as judges of the Insolvent Court devolves upon the recorders of the Straits Courts.

In each of the three stations, a court of requests, or small debt court, has been established, called "the Court of Commissioners for the recovery of small debts," of which the jurisdiction is limited to sums under 32 (thirty-two) dollars, and the Commissioners appointed by the Governor.

The Municipal Government of the Settlements is regulated under Acts of the Legislative Council of India, and the municipal fund at each station is raised and administered by a Board in conjunction with the Governor. This Board consists of five Commissioners at each of the three stations, of whom two are nominated by the Governor, and the three others elected by ratepayers, who contribute 25 rupees annually of assessed taxes. The fund is primarily charged with the support of the police force, under an estimate fixed by the Governor, leaving the balance to be applied to sanitary objects, the preservation and repair of roads and bridges, and other purposes of conservancy and improvement.

The three stations have been garrisoned by Sepoys from Madras, assisted by a detachment of native, and a small force of European artillery also from Madras, the latter for the fort and arsenal at Penang; and it is understood that two extra native regiments were raised in that Presidency to supply the requirements of the Straits Settlements. In 1857-58, a small force of Madras European artillery was sent to Singapore, and constituted the first European troops of any arm stationed there.

With respect to works of defence, Penang has long possessed the fortification called "Fort Cornwallis," which is believed to be incapable of affording protection either to the town or the shipping in the harbour, and no other military works exist at that station.

The old Fort of Malacca was dismantled while the Settlement was in our occupation during the great French war, and no other defences of the same nature have since been constructed.

At Singapore a small work, called "Fort Fullerton," at the mouth of the river, was begun many years ago, but was left incomplete until 1857-58, when, under orders from the Government of India, it was finished, and other fortifications on an extensive scale commenced, which according to the last accounts, were fast approaching completion.

According to a census taken in 1860, the population of the several stations was as follows: Population.

Penang and Province Wellesley	-	-	-	-	124,772
Malacca	-	-	-	-	67,667
Singapore	-	-	-	-	80,792
Total	-	-	-	-	273,231

These figures do not include the military and followers, the convicts, local and imported, and the persons living on board of vessels and boats in the roads; the latter are numerous in Singapore, averaging between 3,000 and 4,000 during the year. The great bulk of the population of course consists of Asiatics, and comprises Malays, Chinese, natives of Continental India, Burmah, and Siám, and of Sumatra, Java, Borneo, Celebes, and other islands of the Eastern Archipelago.

In Penang and Province Wellesley, the Malay race predominates, the proportion being equal to nearly two Malays out of every three inhabitants. The Chinese rank next, and constitute about a fourth of the whole population; the remainder being made up of Europeans and their descendants, natives of the Madras and Coromandel coasts (called Chuliahs and Klings), Burmese, Siamese, Bengallees, &c.

In Malacca also the Malays form the chief part of the population, and in still greater proportion than in Penang and Province Wellesley, as their numbers amount to about three fourths of the whole. Here also the Chinese are found in the next greatest number, forming about a sixth of the inhabitants, whilst Europeans and their descendants, native born Portuguese, natives of India, Arabs, &c., make up the rest. There is this difference between the two other stations and Malacca, that in the latter, the inhabitants are mostly natives of the soil, the different classes adhering closely to the religion, manners and customs of the countries to which their ancestors originally belonged, though the Malay language is common to all and universally used. The Chinese colonists of Malacca are distinguished in the Straits by the appellation of Baba, and include some of the most wealthy and perhaps the most intelligent Chinese merchants in the Straits, many of whom reside and carry on their trade at Singapore.

The population of Singapore is more varied in its composition, and the Chinese are by far the most numerous section of the inhabitants, but the following details of the last census will exhibit in a more satisfactory manner, as well the varied character of the population, as the relative proportions of each class. It may be premised that the population of Singapore includes a much greater proportion of adults than is found in that of the other two stations.

Europeans and Eurasians (including Indo-Britons, Jews, Portuguese, Armenians, Parsees, &c.)	- - - - -	2,445
Malays	- - - - -	10,888
Klings	- - - - -	11,735
Bengallees	- - - - -	1,236
Chinese (including Cochin Chinese)	- - - - -	50,043
Burmese and Siamese	- - - - -	14
Bugis (Natives of Celebes)	- - - - -	906
Javanese and Boyanese	- - - - -	3,408
Arabs	- - - - -	117
Total	- - - - -	80,792

It is generally understood that the population returns fall considerably short of the actual numbers, particularly in Singapore.

In all the three stations, but chiefly in Singapore and Penang, the population has been on the increase, and on a comparison of the census of 1860, with that taken ten years previously, the result shows an increase of about 22,000 in the former, and 12,000 in the latter. There exists a great and lamentable disproportion between the sexes in both of these stations, particularly in Singapore.

Agriculture. Agriculture has been prosecuted more successfully in Penang and Province Wellesley, particularly the latter, than in the sister stations. Fully one-half of the island of Penang has been cleared, and the slopes of its lofty hills occupied with spice plantations, which, however, have lately begun to show symptoms of decay. Rice, cocoa-nut, and fruit trees occupy the more level places, of which the limited extent prevents any extensive culture of the former.

In Province Wellesley, where the soil is a rich alluvial deposit, rice and sugar are the chief articles of cultivation, upwards of 40,000 acres being occupied with the former, while, according to the last official returns (1858-59), the exported produce of sugar amounted to nearly 4,000 tons, with about 211,000 gallons of rum. Tapioca has also been successfully grown and manufactured, nearly 450 tons having been exported during the same year. These results are attributable to the agency of European capital and superintendence, aided by the introduction and employment of costly machinery; about a fifth only of the whole sugar produced being grown by the Chinese settlers.

Malacca abounds in fruit trees, but very little rice is grown, and cultivation generally is supposed to be obstructed by the impediments offered by the system of land tenure, as there are large alluvial plains, and extensive tracts of fertile soil in the inland portion of the territory, possessing, in many places, the means of communicating with the sea by rivers and streams more or less navigable.

Spice cultivation has been carried on to a considerable extent in Singapore, but, as at Penang, disease has lately begun to show itself among the nutmeg trees, the clove trees having many years ago altogether disappeared from the same cause. The gambier plant, which produces the terra japonica, and pepper, have been largely cultivated by the Chinese, and

and extensive clearings made for the purpose throughout the island. These are abandoned for other sites, as soon as the jungle is cleared away and consumed for fuel in boiling the gambier, and the clearings are then overgrown by a long noxious grass called lalang, (*gramen caricosum*) which it is a more difficult task to eradicate than to clear away the original jungle. Wide tracts covered with this grass are, in many places, the only evidence that remains of a clearing having been made, and of late years the Chinese settlers have been attracted in large numbers to the adjacent territory of Johore, a native state on the main land of the Peninsula, where they find a wider choice of virgin soil, and a freer scope for the passion of gambling, so universally prevalent among the Chinese of all classes. This has produced some diminution of late years in the cultivation of gambier and pepper on the island.

Of the three ports in the Straits, Singapore and Penang enjoy by far the most considerable trade, and that of Singapore has indeed advanced in a ratio of almost unexampled prosperity, which will, in all probability, go on increasing. The trade of Penang has no doubt been subject to vicissitudes from which that of Singapore has been exempt, and it has been usually alleged that the establishment of the latter port produced a serious check in the traffic of Penang. If there is any truth in this view, it has probably been much exaggerated, as we find that in 1810 the annual trade of Penang is valued at a little over 1,000,000*l.*, and that in 1819, the year in which Singapore was founded, it had reached no higher point than 1,263,000*l.* There can, at any rate, be no doubt that the trade of Penang for the last ten years, the latter half of which is distinguished by a very marked increase, is much greater than it was at any time antecedent to the establishment of Singapore. It is, however, undeniable as regards Malacca that the establishment, first of Penang at the northern, and then of Singapore at the southern end of the Straits, nearly extinguished its external trade, which has since dwindled to comparative insignificance, though of late years there are symptoms of an increase.

The annual value of the trade at each of the three ports, during the last ten years, is shown in the following tabular statements, which are taken from the published official returns, estimating the Company's rupee, in which the accounts are kept, at 2*s.* (two shillings) sterling:—

PENANG.

	£.		£.
1850-51	1,644,931	1855-56	no returns.
1851-52	1,598,462	1856-57	2,787,574
1852-53	1,687,347	1857-58	3,162,698
1853-54	1,951,747	1858-59	3,538,353
1854-55	2,050,377	1859-60	3,072,674

For the year last mentioned, the imports amounted to 1,580,000*l.*, and the exports to 1,490,000*l.*

MALACCA.

	£.		£.
1850-51	439,175	1855-56	634,133
1851-52	284,011	1856-57	676,247
1852-53	517,521	1857-58	778,576
1853-54	585,438	1858-59	888,659
1854-55	633,494	1859-60	920,228

SINGAPORE.

	£.		£.
1850-51	5,637,288	1855-56	9,571,396
1851-52	5,868,922	1856-57	10,662,197
1852-53	6,514,682	1857-58	12,488,877
1853-54	8,230,394	1858-59	10,806,541
1854-55	7,374,562	1859-60	10,471,302

Of the aggregate for the last two years, the imports amounted to 5,677,884*l.*, and the exports to 5,128,657*l.* for 1858-59, and to 4,819,913*l.* and 5,651,388*l.* for 1859-60, but the proportion which the imports bear to exports has been generally in the ratio of the former year. These statistics show the value of the whole trade to be 14,464,204*l.*, and that Singapore itself is entitled to the third rank in the list of Indian ports of commerce, as the extent of its trade exceeds that of Madras, and is only surpassed by Calcutta and Bombay.

This trade is carried on by native vessels of every class and description, from nearly every island of the Eastern Archipelago, and from China, Cochin China, Siam, and Cambodia, and by European ships of every maritime state, but chiefly by ships carrying the British flag,* and the following statement shows the number and aggregate tonnage of European

* In the proportion of three British to one foreign vessel, the latter being chiefly American and Dutch.

European and native vessels which entered the port of Singapore in 1858-59, and the two preceding years.

	SHIPS.		NATIVE CRAFT.	
	No.	Tonnage.	No.	Tonnage.
1856-57	1,204	473,023	no return.	no return.
1857-58	1,408	586,927	2,206	86,864
1858-59	1,579	650,285	1,986	92,351

Since 1853-54, more than a hundred square rigged vessels, varying from 100 to 800 tons burthen, have been registered at the port of Singapore, wholly owned by resident merchants, European, Chinese, and others, and all commanded by Europeans.

The Straits ports are wholly free from duties on imports or exports, nor are any tonnage dues whatever levied, and the only tax or duty to which shipping entering the port is liable, consists of a very moderate one, of 3 cents or $1\frac{1}{2}$ d. per register ton, in support of aids to navigation, by contributing to the maintenance of the Horsburgh and Raffles Light Houses at the eastern and western entrances to the roads of Singapore, and a floating light about the middle of the Straits of Malacca.

Among the causes which have contributed to raise the commerce of Singapore to such a pitch of prosperity, the manifold advantages of its geographical position must of course be numbered, but it is unquestionable that results of such magnitude as are exhibited in the foregoing statements of its trade, could only have been attained under the wise policy which constituted it from the first a free port, and which has never been deviated from. It is true that in 1835-36, it was understood to be in contemplation of the Government of India to impose customs duties on the trade of the Straits ports, to defray, as was alleged, the expenses incidental to the suppression of piracy in the neighbouring seas. But the evil consequences of the measure were energetically pointed out by the Straits communities, and produced an appeal to Parliament. It was there strongly condemned, and the Board of Control, having at the same time promptly and decidedly signified its disapproval of the measure, it was in consequence abandoned by the Government of India, and no attempt has since been made to revive a project fraught with such ruinous consequences to the commerce of Singapore. It is not indeed going too far to say, that any interference of that nature with the trade of Singapore or Penang would inflict serious injury, and up to the present time the recollection that the imposition of customs duties was at one time advocated by the Government of India, has still its influence in Singapore, and has sometimes operated as a check to private enterprises requiring the employment of a large amount of capital. Some guarantee, or other distinct assurance, that the freedom of the Straits ports was to be preserved, would have a salutary effect; and the announcement that the original policy of that enlightened statesman Sir Stamford Raffles, was to be followed out in all its integrity, would perhaps not unworthily inaugurate the new system of administration about to be introduced.

The sources from which the revenue is raised are alike in all the three stations. They consist chiefly of the monopoly, or exclusive privilege, of preparing and retailing opium for smoking, the sale of spirits, and other exciseable commodities, which is farmed out to private individuals, and disposed of annually at public auction. The revenue derivable from the land is inconsiderable, and is composed of the proceeds of sales of public lands, quit rents, fees on transfer, &c. Judicial fines and fees, the post office, and a few miscellaneous items, make up the remainder.

The amount of revenue for the three several stations, during the last five years, is shown in the following statement:—

	PENANG.	MALACCA.	SINGAPORE.
1855-56	26,377	17,173	59,636
1856-57	30,481	17,994	67,856
1857-58	31,952	17,260	77,031
1858-59	30,421	17,253	84,368*
1859-60	30,180	16,907	77,465

The revenue returns for 1860-61 are not yet available, but it may be mentioned that the sale of the excise farms for that year were attended with a considerable increase, both in Penang and Singapore, amounting in the former to 5,400 £., and in the latter to 14,600 £. For the official year now current, therefore, the revenue of Penang may be estimated at not

* The chief portion of the increase shown this year is attributable to unusually large sales of land.

not less than 35,000*l.*, and of Singapore at not less than 92,000*l.*; and there seems no reason to question the probability of an increase for the ensuing five years, corresponding with that exhibited in the foregoing statement.

The following shows the proportion in which the several items of revenue contributed in the years 1857-58, 1858-59, and 1859-60, at each of the three stations:—

PENANG.

	1857-58.	1858-59.	1859-60.
	£.	£.	£.
Excise farms	23,160	22,713	23,723
Lands	5,648	3,502	3,775
Fees and fines	2,835	2,744	2,133
Miscellaneous	307	1,461	1,449
£.	31,950	30,421	31,080

MALACCA.

	1857-58.	1858-59.	1859-60.
	£.	£.	£.
Excise farms	12,711	12,790	12,765
Lands	3,531	3,730	3,666
Fees and fines	776	453	328
Miscellaneous	240	278	148
£.	17,258	17,251	16,907

SINGAPORE.

	1857-58.	1858-59.	1859-60.
	£.	£.	£.
Excise farms	56,155	57,492	57,803
Lands	7,405	11,959	6,950
Fees and fines	3,538	3,553	2,212
Miscellaneous	9,933	11,363	10,500
£.	77,031	84,367	77,465

The mode of raising the Excise revenue by farming out the monopoly of retailing opium, spirits, &c., of course greatly facilitates its collection, the farmers making their payments into the Treasury regularly every month. The same system has always existed in the Straits Settlements, and since 1851 has been conducted under an Act of the Legislative Council of India, the provisions of which must be carried out in courts, presided over by English magistrates; the proceedings of which are watched by skilful legal practitioners, and, on the whole, the farmers of the Excise revenue have given rise to singularly few complaints of injury or oppression, in the exercise of a privilege peculiarly open to obloquy.

The amount collected by the Municipal Commissioners at each of the three stations appears, from the published returns, to have been—

	1857.	1858.	1859.
	Dollars.	Dollars.	Dollars.
Penang	39,702	53,300	54,594
Malacca	11,248	13,229	14,327
Singapore	57,597	87,673	90,407

These funds are raised under Act 27 of 1856 of the Legislative Council of India, allowing the Commissioners to levy an assessment not exceeding 10 per cent. on the annual value of all houses and buildings, and not exceeding 5 per cent. on lands, together with taxes on horses and vehicles of all kinds, fees and fines at quarter sessions and police courts, rents of ferries, markets, &c. It may here be briefly observed, that the funds thus raised are inadequate to the fulfilment of the objects for which they were destined, from the heavy burthen imposed on them for the support of the large police force which the Government has thought necessary to maintain, but of which a considerable portion were for the country districts, not within the province of the Municipal Commissioners.

Expenditure.

The revenue account appears to have been kept as that of the Incorporated Settlement, and the gross revenue derived from the three stations to have been treated as a whole, disbursed as occasion arose, without any special reference to the separate resources of each. But Malacca had establishments on a smaller scale than Penang, and Penang than Singapore; and an account was kept of the local disbursements proper to each station, distributed into several heads of service, in which the sums appropriate to each are separately stated, and the manner in which this was done will be shown by the following statement of disbursements for 1857-58:—

	PENANG.	MALACCA.	SINGAPORE.
General	£. 4,182	£. 2,110	£. 2,477
Judicial	8,134	2,354	9,706
Revenue	1,911	2,865	2,039
Medical	1,323	637	2,289
Ecclesiastical	1,119	315	1,138
Pensions	3,579	773	2,194
Marine	1,745	1,038	5,065
Miscellaneous	1,013	496	5,124
	£. 23,207	£. 10,583	£. 30,032
	TOTAL £. 63,822		

To this there remains to be added an item of disbursement, which is entered under the head of "General, or Straits Charges" as appertaining to the incorporated settlement at large, and is held chargeable in equal proportions to the several stations. This item includes the salary of the Governor and pay of his establishment, also that of the Surveyor General, and the expenses of the steamer "Hooghly" and the floating light in the Straits of Malacca, and amounted in 1857-58 to 9,830 £.

The same local disbursements and general charges for the two succeeding years, are as follows:—

	1858-59.	1859-60.
Penang	£. 24,071	£. 21,270
Malacca	9,786	13,100
Singapore	35,511	31,551
	£. 69,368	£. 65,921
General or Straits Charges	£. 13,804	£. 15,331
	£. 83,172	£. 81,252

These statements do not include the expenses of the convict department, nor the still more important item of military charges, and as respects the former, it has sometimes been assumed by the Straits authorities that the value of the convict labour, employed as it was on public works, balances the cost of maintenance, a somewhat mistaken view of the question as regards the public. In a statement of disbursements for 1856-57, the charges for convicts are entered at—

	£.
In Penang	6,484
Malacca	2,750
Singapore	8,134
	<hr/>
	£. 17,368

and in 1859-60 the total charge for the convict department, in the Straits, had increased to 22,489 £.

The total amount of the military charges is not known to the authorities in the Straits themselves, as the troops are detached from the Madras Presidency, where a large amount of incidental expense is incurred on their account, independent of the sums disbursed from the local treasuries in the Straits. The latter included pay, the cost of provisions, and sundry contingent expenses, and in 1856-57 they are entered at 44,567 £., which, however, by some extraordinary complication of accounts includes the pay, allowances, and provisions, and most probably the transport, of the men forming the garrison of Her Majesty's Colony of Labuan. For 1859-60, the sums disbursed from the local treasuries had advanced to 54,966 £., but the public statements afford no explanation of the causes to which this large increase is attributable.

It will be evident on a comparison of the foregoing details of expenditure, with those of the revenue, that the Straits Settlements, taken as a whole, have more than defrayed all their local expenses, whatever may be the proportion in which the three stations have respectively contributed to that result. It is, therefore, only in respect of their military establishments, necessarily augmented in consequence of the maintenance of a large body of convicts at each place, that the settlements have been a charge on the Government of India.

Another, and a very productive source of revenue formerly existed in the Straits Settlements, namely, a tax on gambling, and like the others, was raised through the instrumentality of a farm, or exclusive right of keeping and licensing gaming houses. In 1829, it was put an end to, on the ground of its illegality, under a presentment of the grand jury of Singapore, and has never since been in operation. Unfortunately, however, the practice has continued in full vigour, and the enactments to suppress it have only resulted in placing in the hands of a venal police, a power which they use for their own illicit advantage, by taking bribes for their connivance at gaming in every shape. A double evil has thus sprung from the prohibitive law against gambling, for while the police are demoralised by the facilities with which they can extort gain for their connivance, the vice itself is unchecked, or is only pursued with the more ardour from sometimes finding it necessary to hide its head. There is now a strong feeling amongst the European residents in the Straits, in favour of the revival of the gambling farm, arising from a profound conviction that the laws for its suppression are wholly inoperative, are frequently exercised vexatiously and oppressively, and minister to the corruption of the police, as well as to the clandestine and wide-spread continuance of the practice. It seems indeed impossible to eradicate this propensity among the Chinese, which exists also to some extent among the other classes of natives. As matters now stand, the interdict on gaming makes a good police impossible, is a loss to the revenue, and injury to the public. Two of these evils would certainly be cured by the revival of the tax, while the moral mischief might certainly be more efficaciously encountered, if the practice of gaming was open instead of concealed.

The question as to retaining the three stations, as an incorporated settlement, will no doubt fall under the consideration of Her Majesty's Government, and the decision to be made. Future establishments come to on that point, will, of course, in some measure, affect the nature and extent of the establishments to be provided for the future; but it may here be observed, that the continuance of the system, under which the revenues of the three settlements were disbursed, under the Company's government, would involve a wide departure from the principle established in the Colonies of Her Majesty, according to which each Colony must depend upon its own resources, or be aided with grants from Parliament to supply their shortcoming. It has been suggested that the establishment of a separate Government at the northern extremity of the Straits, comprehending Penang and Province Wellesley, and of another at their southern extremity, to include Singapore and Malacca, would probably be found an arrangement which would conduce to convenience, without materially increasing the expenses. The statement of future establishments given here-

with is, however, based on the three stations continuing an incorporated settlement as at present.

It has always devolved upon the Governor of the Straits Settlements to give effect to the policy of the Supreme Government, with regard to the neighbouring native States, whenever occasion arose either for remonstrance or more active interference, and the Local Government has more than once, on its own view, claimed the right to an authoritative voice in the settlement of disputes between the minor States of the Peninsula. Its arbitrament and decisions on such occasions has always been effectual, and there can be no doubt that the English name and government are treated throughout the Peninsula with the utmost deference and respect. It will, it is to be presumed, be left to Her Majesty's Department for Foreign Affairs to determine whether the Straits authorities are to exercise any political functions; but it is of the greatest importance to the commerce of the Straits Settlements, and also to the welfare of the native States, in no way to abridge the political authority which has heretofore been exercised by the Local Government in the Straits, or to do anything to diminish its credit and influence with the native chiefs of the Peninsula, as well as with the Rajahs of Acheen and Cambodia, who have on various occasions applied to it for advice. The exercise of such authority, however, to whatever extent it may be delegated, should remain in the hands of a single functionary; and as Singapore has now been for many years the seat of Government, it is in that quarter that it will be naturally looked for.

Experience has shown that, as regards Penang and Province Wellesley, a single judge, in constant residence, is equal to the efficient discharge of all the business of the court there. The case, however, is very different in Singapore, and an addition to the judicial bench at that settlement seems indispensable. A recent presentment of the grand jury of the place urges in strong terms the necessity of such an appointment, and complaints are loud and general as to the delays in administering justice between man and man. When the Straits court was reconstituted in 1855, as previously stated, the amount of business in Singapore was perhaps more than sufficient for a single judge to get through, without adding Malacca to the sphere of his duties. But the work to be done has since greatly increased, and the court can not now keep pace with the demand of the public upon its functions. It is, of course, to be understood that when the Singapore community so urgently call for the appointment of another judge, they do not contemplate two judges sitting as chief and puisne on the same bench, and hearing the same cause, but as sharing the labour between them, in separate divisions of the court, or meeting the pressure of business by some arrangement of a similar tendency. It might be arranged that one of these judges should proceed to Malacca on circuit as at present, the Government finding the means of conveyance. It might also conduce to the public benefit, and to the ends of justice, were the Lieutenant Governor of Malacca vested with certain judicial powers in the absence of the professional judge to try minor criminal offences, and such civil cases as may be brought before him; the latter having an appeal to the judge when on circuit.

The appointment of an attorney general at Singapore and Penang will, no doubt, be a consequence of the transfer to the Colonial Office; and as the want of a public prosecutor has been the subject of repeated and strong observation in both places, it is to be hoped that provision will be made to combine the two functions.

It is impossible, in any allusion to future judicial arrangements, to pass over without remark the urgent call there exists for providing a new and superior class of interpreters for the courts, more especially in the Chinese than in the other languages. These officers should consist of well paid European gentlemen trained in a thorough knowledge of the language. Heretofore the Chinese interpreters employed by the court have generally been Straits-born Chinese, who are invariably influenced by the hoeyis or secret societies, are neither well acquainted with the language they profess to speak, seldom capable of expressing themselves correctly in the Malay vernacular, and never in English. A much higher scale of acquirement and of emolument in all the classes of interpreters is necessary, in order not only to secure the desired proficiency but the necessary confidence in their integrity. The expediency, therefore, is earnestly urged on Her Majesty's Government, of sending out several young men who have made the Chinese language their study, for employment in the magistrate's and public offices, where their knowledge would be of great service, gaining their promotion to the higher appointments as their efficiency in the other languages made them eligible, and as vacancies occurred.

Another police magistrate for Singapore, to act as a district magistrate, appears to be no less necessary than the addition of another judge to the court at that place, the duties of the sitting magistrate having of late years become overwhelming. This is evident from a statement which came before the grand jury there at the first criminal session for the present year, by which it appears that the number of cases which had come before the police magistrate had increased from 2,151 in 1849, to 3,019 in 1854, and to 8,069 in 1859! Like all uncovenanted civil servants, too, in India, this hard-working officer receives a comparatively low scale of remuneration, and it is only an act of justice to him to recommend an addition to his present salary, and to the public, the appointment of an efficient district magistrate to relieve the town magistrate of a part of the duties, by holding a court in the populous eastern district known as Campong Glam. It is also suggested that Her Majesty's justices of the peace, several of whom reside at a distance of from two

to four miles from town, might, with great advantage to the public and but little inconvenience to themselves, dispose of many trifling cases at their homes; thus relieving the police of a great deal of work, and the witnesses from the hardship of attending the town courts, many being dependent upon their daily labour. The benefit of such a measure is amply testified by the alacrity with which the natives have resorted to these gentlemen for the settlement of their disputes, and the confidence they repose in their decisions.

These additions in the judicial departments will add considerably to the expense of the existing establishments, particularly in Singapore, where, as well as in Penang and Malacca, there appears to be other civil appointments necessary in order to bring them to a scale consistent with efficiency; and the following statement is given to show the existing as well as the proposed establishments which are considered suitable, as well as the cost at which the same may be maintained, estimating the salaries in dollars, the currency of the settlements, and in which they would receive their pay, and also carried out in sterling for the information of Her Majesty's Government, at the exchange of 4s. 6d. per dollar, which is its average value.

For convenience of reference, the lists of the existing and proposed establishments are printed side by side, as follows, the new appointments in the latter being severally indicated by an asterisk.

PRESENT ESTABLISHMENT IN THE STRAITS.

GENERAL:	£.	£.
Governor	4,200	
*Secretary and A. D. C., exclusive of Staff pay	388	
*Chief Engineer ditto ditto	1,200	
Senior Surgeon	960	
Surveyor General	864	
		7,612
LOCAL (PENANG):		
Resident councillor†	2,400	
Assistant to ditto, also magistrate, and Commissioner of Court of Requests	840	
Ditto; same duties as above in Province Wellesley	720	
Executive engineer, and superintendent of convicts, exclusive of staff pay‡	480	
Harbour master, being also postmaster, registrar of imports and exports, and shipping master, &c.	480	
Deputy Commissioner of Police	528	
Chaplain	960	
Assistant surgeon	560	
		6,968
Recorder	£. 2,000	
Registrar	840	
Sheriff	240	
Coroner	120	
Establishments §	8,500	
Pensions	3,199	
		11,699
		21,867

PROPOSED ESTABLISHMENT IN THE STRAITS

GENERAL:	Dollars, per Month.	£. per Annum.
Governor for the three Settlements, who should be also Her Majesty's Commissioner to the Native States, and for Suppression of Piracy	1,550	4,185 -
Private Secretary and A. D. C.	150	405 -
Colonial Secretary	370	999 -
Surveyor General	315	850 10
Colonial Surgeon, to be also Medical Store-keeper	315	850 10
	Dollars, at 4/6	£. 7,290 -
LOCAL (PENANG):		
Lieutenant Governor, to be also Auditor General, Superintendent of Lands, Registrar of Shipping, and President of Municipal Commissioners, Treasurer, and Accountant General	670	1,809 -
*Commissioner of Police	330	891 -
Deputy ditto, for Province Wellesley	185	499 10
Police magistrate	315	850 10
District ditto for Province Wellesley, to be also coroner and Commissioner of Court of Requests	275	742 10
Surveyor, to be registrar of deeds, &c.	185	499 10
Executive engineer, and superintendent of roads	300	810 -
Harbour master, marine magistrate, postmaster, vendor of stamps, registrar of imports and exports, and collector of light dues	220	594 -
Surgeon	220	594 -
*District ditto for Province Wellesley	185	499 10
Chaplain	275	742 10
Recorder; Judge	750	2,025 -
*Attorney General and Public Prosecutor	370	999 -
Registrar	370	999 -
*European interpreter of Chinese	275	742 10
Commissioner of Court of Requests	130	351 -
Sheriff	130	351 -
Coroner	100	270 -
*Student interpreter	130	351 -
	Dollars, at 4/6	£. 14,620 -

* These two are military officers.

† The salary of this officer is now reduced, by the retirement of the late Resident Councillor, who had been many years in the service.

‡ Military officer.

§ This and the following aggregates, under the same head for Singapore and Malacca, comprise the expense of maintaining the gunboat flotilla, viz., for Penang, 426*l.*; Singapore, 426*l.*, and Malacca, 176*l.*; also the expenses of the convict establishment, as follows: Singapore, 2,512*l.*; Malacca, 439*l.*; Penang, 720*l.* A sum of no less than 2,100*l.* also appears, in the Malacca accounts, to be charged for payment on account of police, assessment, establishment, and municipal funds, and is embraced under this head.

Expenses of establishments and subordinate departments in an efficient state, estimated at	8,000 -
Political pensions under Treaty 1805, and some small local pensions	3,199 -
	£. 25,819 -

PAPERS RELATING TO

PRESENT ESTABLISHMENT—*continued.*

LOCAL (SINGAPORE):	£.	£.
Resident Councillor	1,800	
Assistant to ditto, magistrate of police	720	
*Executive engineer, and superintendent of convicts, exclusive of staff pay	720	
Commissioners of Police	1,200	
Master attendant, being also marine magistrate and shipping master	600	
Assistant to ditto, paid by fees.		
Postmaster	396	
Commissioners of Court Requests	540	
Deputy Commissioner of Police	396	
Chaplain	960	
Assistant surgeon	560	
	7,892	
Recorder	£. 2,500	
Registrar	960	
Sheriff	360	
Coroner	120	
	3,940	
Establishments	13,500	
Pensions	3,231	
	16,731	
	28,563	

* Military officer.

LOCAL (MALACCA):

Resident Councillor, who is also Treasurer, executive engineer, superintendent of convicts, postmaster, harbour master, registrar of shipping imports and exports	1,200	
Assistant to ditto, police magistrate, coroner, Commissioner of Court of Requests, &c.	720	
Surveyor	320	
Assistant surgeon	560	
Missionary chaplain	420	
	3,200	
Registrar of Court	600	
Sheriff	240	
	840	
Establishments	5,600	
Pensions	773	
Land annuitants	1,631	
	8,004	
TOTAL	£. 12,044	

PROPOSED ESTABLISHMENT—*continued.*

LOCAL (SINGAPORE):	Dollars, per Month.	£. per Annum.
Lieutenant Governor, to be also Auditor General, Superintendent of Lands, Registrar of Shipping, President of Municipal Commissioners	670	1,809 —
*Treasurer and Accountant General	370	999 —
Executive engineer and superintendent of roads	330	891 —
Commissioner of Police	450	1,215 —
Police magistrate	330	891 —
*District ditto	300	810 —
Deputy Commissioner of Police	185	499 10
Surveyor, to be also registrar of deeds, &c.	185	499 10
Postmaster and vendor of stamps	220	594 —
Harbour master, to be also marine magistrate, conservator of the port, and registrar of imports and exports	220	594 —
*Assistant to ditto, to be also shipping master, collector of light dues, and in charge of lighthouse	150	405 —
Surgeon	260	702 —
Chaplain	275	742 10
Chief Justice	950	2,565 —
*Puisne Judge	670	1,809 —
*Attorney General and Public Prosecutor	450	1,215 —
Registrar	450	1,215 —
*Two chief clerks for the two divisions of the Court, at 200 dollars each	400	1,080 —
*European interpreter of Chinese	275	742 10
Commissioner of Court of Requests	220	594 —
Sheriff	165	445 10
Coroner	130	351 —
*Two student interpreters, at 130 dollars each	260	702 —
	Dollars, at 4/6	7,915 = £. 21,370 10
Expenses of establishments and subordinate departments, in an efficient state, estimated at		15,000 —
Political pensions under Treaty 1824, and some small local pensions		3,231 —
		£. 39,601 —

LOCAL (MALACCA):

Lieutenant Governor, to be also Treasurer, and to perform the other duties now discharged by the Resident Councillor	560	1,512 —
Police magistrate, to be also coroner and Commissioner of Court of Requests	260	702 —
Surgeon	220	594 —
Surveyor and registrar of deeds, &c.	185	499 10
*Student interpreter for general service	130	351 —
Chaplain	185	499 10
Registrar	220	594 —
Sheriff	93	251 2
	Dollars, at 4/6	1,853 = £. 5,003 2

Expense of establishments and subordinate departments in an efficient state, estimated at	2,700 —
Local pensions	773 —
Land annuitants	1,631 —

£. 10,107 2

Remarks on the Present Establishment.

Several of these officers discharge duties which are not implied in the designation of their offices. Thus the Resident Councillors of Penang and Singapore were treasurers and auditors of their own accounts, Accountants General of the Court, superintendents of lands, registrars of shipping, vendors of stamps, and president of municipal Commissioners; while at Singapore he was also registrar of imports and exports, and it was utterly impossible, with such multifarious duties, to give them the attention they required. The Resident Councillor at Malacca, however, has ample time for the performance of the duties incident to the various offices he holds, as above stated.

Until very lately the registrar and his department, both at Penang and Singapore were paid fixed salaries: but it seems that in 1859-60 the registrars at both places were permitted to apply the whole amount of the incoming fees to the payment of themselves and their establishments, which, as observed in the Governor's report for that year, led to an apparent but not real diminution in the amount of judicial fees as an item of revenue, to the extent of 2,050*l.*, as compared with the previous year. The two recorders have the power under the charter to sanction this application of the fees; but such a mode of remunerating the registrars is highly objectionable, and in the proposed scale, liberal salaries have been apportioned them, on the understanding that they do no private practice, nor attend to other than the proper duties of their departments. It is suggested, that all fees received by the registrars should be paid to the Government as formerly, and that their establishment should be modelled to suit the wants of the public.

Some

Some of the new appointments in the proposed establishment have been already remarked upon, and the following observations on the others are explanatory of the increase.

Treasury and Accountant General at Singapore.—This office is at present held by the Resident Councillor, who from his other duties is unable to attend to it, and it is left in the hands of underpaid clerks. The responsibility is great, and the appointment is much needed, the Lieutenant Governor being auditor of accounts.

District Surgeon at Province Wellesley.—There is at present no medical officer stationed there, with a population stated to be over 60,000 natives, besides Government servants and European planters, and therefore this is a most necessary appointment, the distance from Penang being great, and at times communication impossible.

Commissioner of Police at Penang.—This office is at present held by the Resident Councillor, which is very objectionable, and has already been the cause of much trouble to the Government; a separate officer is also as much needed in Penang as in Singapore. The Deputy Commissioner might be resident in Province Wellesley, and both he and the assistant surgeon might be magistrates, and hold courts at the different villages in that extended district, which would be a great boon to the natives.

Surveyor to be also Registrar of Deeds, Transfer of Lands, &c.—The opening of a registry office at each station for the registration of grants and transfers of lands, mortgages, and other deeds is very much needed, and being attached to the land office, could easily be managed. A small fee would more than cover the additional salary that might be given to the present chief clerks in the land offices, who have long served on low salaries.

Postmaster at Singapore.—The present postmaster has had the management of this department, and faithfully discharged the duties of it for over 30 years, though till within the last year or two, the harbour master has been its nominal head. The duties have very much increased, as also the revenue, it is, therefore, recommended that his salary be raised to 594*l.*, as in the proposed scale, and a more efficient staff provided. He should also be vendor of stamps, hitherto part of the duty of the Resident Councillor, to the great inconvenience of the public.

Commissioner of Police in Singapore.—The officer at present holding this appointment has been many years in Government employ, and enjoys deservedly a high salary, but on the appointment of a successor, he might be placed on the same pay as the same officer in Penang.

Assistant Harbour Master at Singapore.—The duties of the harbour master at that station have very much increased of late, and his time is much occupied as marine magistrate, with cases occurring in so crowded a harbour. It is proposed to place the registry of imports and exports under his management, as it more properly belongs to his department than to that of the Resident Councillor, and, therefore, an assistant harbour master is very requisite, who should be also shipping master (as required by the last Merchant Seamen's Act), collector of light dues, and in charge of the lighthouses and floating light.

Municipality.—It has already been remarked, that the amounts levied from assessment are at present inadequate to the fulfilment of the objects for which they are raised, owing to the heavy call for the support of the police force, which extends to providing a police for the whole island. It is, therefore, suggested that the Commissioners should be restricted to making provision out of the funds raised by them, and to be placed entirely at their own disposal, for the payment of a police force strictly municipal, and for other objects of conservancy and improvement, and that the protection of the rural districts should be entrusted to small detachments of the proposed local corps.

It is assumed that the transfer of the three settlements to the Colonial Office involves, as a matter of course, the introduction of machinery for local legislation, so that supposing the existing administrative relations between them were to be retained, Penang will possess a separate Legislative Council of its own, including Province Wellesley, presided over by the Lieutenant Governor, while Singapore might legislate for itself and Malacca. The Council will, of course, consist of the public functionaries usually nominated to that body, and of a certain number of non-official members, selected from among the principal British inhabitants only; and it is suggested that both at Singapore and Penang, the number of official and non-official members of the Council should be equal.

It is understood that in Singapore, and probably in Penang also, opinion is strongly in favour of the principle of election for the non-official members of the Council, and it has been suggested that the right of election should be vested in the same persons as vote for the members of the municipal Board, namely, ratepayers who contribute annually to the amount of 25 rupees or 2*l.* 10*s.* of assessed taxes; and that a list of the members eligible to the Council should be previously published in the Government Gazette.

The further transportation of criminals from the Indian Presidencies to the Straits has, as already observed, been put a stop to by an Act of the Legislative Council of India; and it may be taken for granted that the maintenance of the large body of convicts now there, as well as the cost of those precautionary measures which their presence requires, must constitute a charge on the Government of India. At the same time, so long as they are allowed to remain in the Straits, the labour of the convicts will no doubt be availed of for public works, and it should be left to the authorities in the Straits to determine to what extent,

extent, and to what purposes it will be availed of. No estimate can therefore be made of the charge thereby likely to devolve upon the colonial finances, which will appear under the head of Public Works.

From the extensive fortifications before referred to, which have of late years been constructed in Singapore, as well as from the large and costly barrack accommodation which has been provided for European troops, it would appear to have been the intention of the Government of India to convert Singapore into an important military station; these works obviously contemplating the maintenance of a force far beyond all local requirements in its amount and character. There is reason to believe, also, that these works were undertaken not only without reference to the views and opinions of the Local Government, but even in opposition to them. It may therefore be fairly assumed that it was never intended to burthen the finances of Singapore with the expense consequent on the construction of military defences on so extended a scale; and that the maintenance of the force of the line and artillery which may be employed to man them, will constitute a charge on the Imperial revenues.

With respect to the nature of the force, which may be hereafter requisite and desirable to employ for garrisoning the three stations, opinion is in favour of a local corps, and all concur in deprecating the further employment of a contingent from the Madras Presidency, which was unnecessarily large, and combined in a remarkable degree expense and inefficiency. This arose from the sickness so generally prevalent among the Madras troops when stationed in the Straits, which showed itself a few weeks after their arrival, and frequently reduced the regiments to mere skeletons. The extent to which this sometimes occurred is shown in the late Governor's Administrative Report for 1858-59, in which he remarks of the two regiments then doing duty, that "both regiments have been much reduced by sickness, and comprise barely sufficient men to furnish the usual reliefs for the several posts and stations." This of course gave rise to expense for the conveyance of the invalids back to Madras, and bringing over fresh hands; independent of that, attending the relief of the whole garrison every three years. It is probable, therefore, that for the future, recourse will not be had to the use of a force combining so many ingredients of expense, especially if it can be shown that a more efficient and economical one is available for the purpose.

There is no doubt that for Singapore such a force would be found in a native corps recruited on the spot, combining Eurasians, Malays, Bugis, Javanese, &c., who furnish excellent material for soldiers. A force more than ample for the purpose could easily be raised, and, in the hands of properly selected European officers, might be moulded into a well-disciplined and efficient corps in a very short space of time. In Penang and Province Wellesley, as also in Malacca, the numerical preponderance of Malays might make it objectionable to recruit largely from among them, but both places comprise various races of Asiatics well qualified for the ranks. Indeed, if the principle of employing local corps be admitted, there would be no difficulty in finding the requisite material throughout all the Straits settlements, and with a small European force to support them, they would be found sufficient for all local exigencies.

The European force for the three settlements might be taken at 200 men; and if it could not be arranged to have that number disposable for the purposes of the Colony, out of the regiment or regiments assumed to be stationed there for Imperial purposes, an equal number of marine artillerymen—the force recommended by Mr. Crawfurd—could be provided on more economical terms. In the latter case the annual expense of European troops may be estimated at about 12,000*l.*

For Singapore, the native corps might consist of five companies, each of 80 rank and file, and with its quota of officers and non-commissioned officers, the annual cost of a body of men of that strength may perhaps be summed up as follows:—

	£.	s.
400 privates, at 5 dollars each per month	24,000	dollars, or 5,400
— per annum.		
Rations, 2 dollars each per man per month	9,600	", 2,160
		—
1 commandant at 400 dollars per month	4,800	", 1,080
		—
1 adjutant at 250 dollars, and staff pay 50		
dollars	3,600	", 810
1 surgeon (including police hospital) 185		
dollars	2,220	", 499 10
2 lieutenants at 250 dollars each	6,000	", 1,350
3 sub-lieutenants at 180 dollars each	6,480	", 1,458
2 native soubadars—		
1 at 75 dollars	125 dollars	— 1,500
1 at 50 ",	}	", 337 10
3 jemadars—		
1 at 40 dollars	100 dollars	— 1,200
2 at 30 ",	}	", 270
5 havildars at 15 dollars each	900	", 202 10
5 naicks at 10 dollars each	600	", 135
		—
	13,702	10
Clothing, medicine, &c., say	—	1,297 10
		—
	£. 15,000	— per annum.

The strength of a local corps for Penang and Province Wellesley will probably not be required to exceed 300 men, and for Malacca about 160 men. The same data for their cost in Singapore will answer equally well for both these places.

The cost of the Military Establishment necessary for Singapore, as shown in the Appendix, may therefore be taken at about	£.	22,200
Add to this the cost of the Civil Establishment, as proposed	£.	39,601
One-half of the salaries of Governor and general charges	£.	3,645
	£.	43,246
This would leave out of the Revenue of the current year, amounting to 92,965 <i>l.</i> , the sum of about 26,600 <i>l.</i> disposable for Marine, Public Works, and other contingencies	£.	65,446
	£.	26,619
	£.	92,065
Malacca:—Estimating the Military Establishment, as per Appendix, may be taken at about	£.	6,600
Add to this the cost of the Civil Establishment, as proposed	£.	10,107
15 per cent. of the salaries of the Governor and general charges	£.	1,094
	£.	11,201
This would leave a deficit of 894 <i>l.</i> on the Revenue of the current year of 16,907 <i>l.</i> , without allowing anything for Marine, Public Works, &c.	£.	17,801
	£.	1,227
	£.	16,907
Penang:—Estimating the Military Establishment, as per Appendix, may be taken at	£.	15,450
Add to this the cost of the Civil Establishment, as proposed	£.	25,819
35 per cent. of the salaries of the Governor and general charges	£.	2,551
	£.	28,370
	£.	43,820

This sum, however, without allowing anything for Marine or Public Works, shows a deficit of 7,340*l.* on the Revenue of the current year of 36,480*l.*

It would appear from the foregoing details that the existing financial resources of Singapore are not only adequate to make full provision for its necessary civil, military, and marine establishments, and all contingencies, but that there will remain a considerable surplus available for public works, and general improvements. It is also to be borne in mind that while no important increase will be required for years to come to the establishment on the scale here proposed, the revenue, according to every reasonable expectation, will go on increasing from year to year.

Both the other stations show a deficit, that of Malacca amounting to 894*l.*, and of Penang and Province Wellesley to 7,340*l.*, excluding in both cases any contribution to the support of a marine establishment. But as an increase in the population invariably brings with it in the Straits Settlements an augmentation of the revenue, and as the population both of Malacca and Penang, especially of the latter, is on the increase, it may reasonably be expected that the resources of both will, in a few years, equalize the expenditure. The prospects of Malacca in that respect would no doubt be greatly enhanced by an improvement in the system of land tenure.

Marine.—Under this head would come the charges for maintaining two small swift steamers, similar to Her Majesty's despatch gun-boats, fitted for the climate, and of very light draught of water, to go among the numerous islands, &c., to act against the pirates in the neighbourhood; they should, however, be under the Governor's orders, partly manned by native crews, and independent of Her Majesty's naval forces stationed in the Straits for the protection of trade and suppression of piracy, more especially of Chinese piracy, which has increased of late years to a great extent.

The services of the steamer "Hooghly," an old, very slow, and ineffective vessel, belonging to the Bengal Government, now used for the conveyance of the Governor and Court establishment, as well as for the suppression of piracy, as also the sailing gun-boats, maintained at a heavy cost, should be dispensed with, being all equally useless. The expenses of the two proposed steamers would not likely exceed the cost of the present establishment, which appears in the general account as 10,767*l.* per annum.

To show that this is the description of gun-boat required in these settlements, the following extract from the "Singapore Free Press," of 21st February last, is given:—

"In regard to the two small gun-boats, the 'Mohr' and 'Tonze' (ordered for service in the Straits), which our local readers will recollect lay in the harbour here for some time, when *en route* to China, we hear that Admiral Hope has stated that he cannot spare them for some time, as they will be extremely useful in the contemplated expedition up the Yang-tze-Kiang. There can be no doubt, however, that they are the very thing for the smooth waters of the Straits, being of an exceedingly small draught of water, so that they can follow piratical boats into all nooks and corners."

The estimated expenses of the two steam gun-boats proposed are as follows:—

The pay of 1 Captain	-	-	-	-	say 225 dollars per month.
" 1 Officer	-	-	-	-	125 "
" 1 Ditto	-	-	-	-	100 "
" 1 Petty officer	-	-	-	-	50 "
" 1 Engineer	-	-	-	-	175 "
" 1 Assistant engineer	-	-	-	-	100 "
					775

Wages of 10 European seamen at 15 dollars each - 150

" 25 Native seamen, stokers, &c., at
8 dollars each - - - - 200

Dollars 1,125

Or, for two boats with this complement, 2,250 dollars per month, £.
or 27,000 dollars per annum - - - - equal to 6,075

Provisions for crew, firewood, coals and other contingencies - say 4,000

£. 10,075

Currency.—The attempts of the Government of India to innovate on the currency of the Straits Settlements, by substituting the rupee and its aliquot parts for dollars and cents, have often been a source of irritation and anxiety to the inhabitants. The public demonstrations against any measure of the kind were, however, aided by the interference of superior authority at home, and the injudicious project was countermanded.

The decimal system, both in moneys and weights, has always prevailed in the Straits, is well understood, and approved by all classes of traders. It is suggested that no interference should take place in the copper coins now current, viz., cents, half-cents, and quarter-cents, but that a full supply of these should be kept up. There is very little doubt that the coinage of these, as well as of a British silver dollar of 416 grains troy weight, would not only be a pecuniary benefit to Her Majesty's Government, but also a great boon to the general public, and the more so if accompanied by half-dollars, twenty and ten-cent silver pieces.

This coinage would not only facilitate trade with the natives of the Archipelago and adjacent countries, but in the opinion of many, would soon become the chief circulating medium of European commerce in China.

Telegraphs.—The importance of telegraphic communication with Singapore, more especially since the late troubles in China, is daily becoming more evident, and the failure of the submarine cable laid between that island and Java, more than twelve months since, having shown that no dependence can be placed upon such means of communication, it is suggested that a more simple and less expensive telegraph might be carried overland from Singapore to Rangoon, the latter being already in communication with India. The chiefs of the intervening countries being in friendly relations with the British Government, would be found ready to give every assistance in the construction and protection of the line, were the Governor of the Straits and the chief British authority at Rangoon authorised to treat with them on the subject. This would also be a means of opening up those valuable countries to commerce generally, as well as conducive to the welfare and civilization of the inhabitants. It is understood that the King of Siam has signified his wish for an extension of telegraphic communication with Singapore, and connecting this with the French occupation of Saigon, in Cochin China, there would be little difficulty in continuing the line to China, should such be considered advisable.

A few words may be added in conclusion respecting the advantages which Singapore offers as a naval dépôt.

The

The island lies about half way between India and China, and is not less the centre of the commerce of the eastern seas than adapted by nature as the centre of political action with reference to all the countries and states beyond the Ganges. The port and roadstead are singularly free from dangers and obstructions of every kind, hurricanes are unknown, and the squalls which mark the changes of the monsoons are neither very strong nor of long duration, and ships can careen with safety at all seasons. The island lies within easy reach of supplies of teak timber from Siam and Java, as well as from our own territory of Moulmein, and there is no doubt of the extent of accommodation it affords for naval establishments. New Harbour, in which a site has long been reserved by the Local Government, offers a situation well adapted for such purposes, easy of approach, and with facilities for defence; and as it is understood that naval officers in Her Majesty's service, of experience and ability, have expressed opinions strongly in favour of Singapore for the establishment of a naval dépôt, it is hoped the many advantages in that respect which it possesses will not remain long neglected by Her Majesty's Government.

APPENDIX.

1860-61			SINGAPORE:	£. s. d.	£. s. d.
	REVENUE, as taken at page 59			92,065 - - -	
			EXPENDITURE:		
			Civil Establishment	£. 39,601	
			50 per cent. of Governor and general charges	3,645	
					43,246 - - -
			Military Force:		
			120 Europeans, costing	7,200	
			400 Native troops	15,000	
					22,200 - - -
			Marine:		
			Half share of the two steamers proposed, say	5,000 - - -	
			Expenditure	£.	70,446 - - -
	Expenditure, as per contra		70,446 - - -		
	Leaving a Surplus for public works, &c., of £.		21,619 - - -		
1860-61			MALACCA:		
	REVENUE		16,907 - - -		
			EXPENDITURE:		
			Civil Establishment	£. 10,107	
			15 per cent. of Governor and general charges	1,094	
					11,201 - - -
			Military Force:		
			10 Europeans, costing	600	
			160 Natives, costing	6,000	
					6,600 - - -
			Marine:		
			15 per cent. of the expenses of the two steamers proposed	1,500 - - -	
			Expenditure	£.	19,301 - - -
	Expenditure, as per contra		19,301 - - -		
	Showing a Deficit of £.		2,394 - - -		
1860-61			PENANG:		
	REVENUE, as taken at page 59		36,480 - - -		
			EXPENDITURE:		
			Civil Establishment	£. 25,819	
			35 per cent. of Governor and general charges	2,551	
					28,370 - - -
			Military Force:		
			70 Europeans, costing	4,200	
			300 Natives, costing	11,250	
					15,450 - - -
			Marine:		
			35 per cent. of the expenses of the two steamers proposed	3,500 - - -	
			Expenditure	£.	47,320 - - -
	Expenditure, as per contra		47,320 - - -		
	Showing a Deficit of £.		10,840 - - -		

The Under Secretary of State for the Colonies to the Under Secretary of State for India, dated Downing-street, 13 July 1861.

Sir,

WITH reference to your letter of the 9th May last, respecting the proposed transfer of the Straits Settlements to the superintendence of this department, I am directed by the Duke of Newcastle to transmit to you, to be laid before the Secretary of State for India in Council, a copy of a letter which was addressed to the War department on the subject, together with a copy of the letter which has been received in reply.

I am to request that you will move Sir Charles Wood to inform his Grace, with reference to the letter addressed to you on the 10th July 1860, whether any instructions have been sent to the Governor of Singapore to raise a local corps for the service of the settlements, and if so, whether any report has been received of the progress made towards the formation of such a corps.

Sir Charles Wood will find that Lord Herbert appears to anticipate a difficulty in obtaining Malays, &c., at Singapore, and the Duke of Newcastle would, therefore, be glad to learn whether the Indian Government would be willing to allow one of their native regiments to be stationed in the settlements, to be placed under the charge of the officer in command of Her Majesty's troops there, the cost being provided for out of Imperial or local funds.

His Grace would also be glad to be informed what the establishment of such a regiment would consist of, and what would be the cost of it.

As regards repayment to the Indian Government of the cost of the barracks lately constructed, or in progress, which is adverted to in the War Office letter, the Duke of Newcastle must leave it to be decided by the Lords Commissioners of the Treasury, as a question more immediately affecting their Lordships' department.

The Duke of Newcastle proposes to inform the War department that the intended transfer will not impose any expense on that department, before the termination of the present financial year.

I am, &c.
(signed) *T. F. Elliot.*

COPY of a Letter from Sir *F. Rogers* to the Under Secretary of State for War.

Sir

Downing-street, 31 May 1861.

I AM directed by the Duke of Newcastle to transmit to you, to be laid before the Secretary of State for War, for Lord Herbert's consideration, copy of a correspondence, as noted in the margin, between this department and that of the Secretary of State for India, having reference to a contemplated arrangement for the transfer of the superintendence of the Straits Settlements from the Indian authorities to that of the Secretary of State for the Colonies.

Lord Herbert is no doubt aware that such a transfer has been for some time in contemplation, and the correspondence now transmitted will place his Lordship fully in possession of the terms upon which the Duke of Newcastle, acting on behalf of this department, is willing to accept the responsibility of assuming the superintending power over the settlements.

His Grace purposely abstains on the present occasion from entering into any matters of more minute detail than are shown in the papers already referred to, as his Grace is anxious, in the first instance, to elicit the views which may be entertained by Lord Herbert (to whom a like communication has been made), on the primary question of such a transfer, the result of which his Lordship will find it is anticipated may probably entail, although it may be hoped only at the outset, a charge on the revenues of this country, either for their civil or military expenditure.

I am, however, to add, that the form of constitution that the Duke of Newcastle would propose to the settlements on their transfer, would be one similar to that which is in existence in what are known as Crown Colonies.

The Duke of Newcastle would be glad of an early consideration of this question, as the transfer can only be completed under the authority of an Act of Parliament.

I am &c.
(signed) *F. Rogers.*

India Office, 28 October 1859.
Colonial Office, 18 November 1859.
India Office, 7 February 1860.
Colonial Office, 22 June 1860.
India Office, 16 June 1860.
Colonial Office, 10 July 1860.
India Office, 7 July 1860.
30
Colonial Office, 6 February 1861.
India Office, 22 March 1861.
Colonial Office, 24 April 1861.
India Office, 9 May 1861.
Mr. Braddell's Pamphlet.
Memorandum from Messrs. Guthrie and others.

COPY of a Letter from the Under Secretary for War to Sir F. Rogers.

Sir,

War Office, 19 June 1861.

I AM directed by the Secretary of State for War to acknowledge your letter of the 31st ultimo, with its enclosed correspondence, on the subject of the contemplated transfer of the superintendence of the Straits Settlements from the Indian authorities to that of the Secretary of State for the Colonies.

The object of the reference to this department being to ascertain the views of Lord Herbert in regard to the military arrangements rendered necessary by this measure, if adopted by Parliament, his Lordship could have wished that the correspondence had furnished information which would have assisted him in coming to more definite conclusions on the subject than he is at present able to do.

He learns from the letter of the India office, dated 22 March 1861, that the military force stationed in the Straits Settlements consists at present of 241 artillery, partly European and partly native Indian, and two native infantry regiments from Madras, 1,624 men—in all 1,865; and it appears elsewhere that the strength of this garrison is to be increased by the addition of an European regiment, for which barracks are being constructed at Singapore. Colonel Cavanagh, Governor Prince of Wales Island, Singapore, and Malacca, has, in a Despatch under date 26 December 1859, expressed objections to the employment of Madras troops in the Straits, on the ground, among other reasons, of the climate being unsuited to them. He suggests that, in lieu of them, two corps should be raised for local service, each 600 strong, to be composed of "men of all classes, and from all parts of India, with Portuguese and other native Christians, and, if procurable, a small portion of Malays and Bugis from the Straits."

Mr. Crawfurd, in a memorandum on Colonel Cavanagh's Despatch, states that this mixture of races would, in his judgment, be incongruous, and recommends that the new corps should consist exclusively of Malays, raised within our own settlements, or in the territories of the Malayan princes in alliance with us.

The Secretary of State for India, in communicating Colonel Cavanagh's proposals to the Colonial Office, has intimated an opinion that the suggestion is a good one, and that it might be carried into execution more readily under present circumstances than after the transfer of the Straits to the direct government of the Crown.

The Duke of Newcastle is also of opinion that the suggestion of Colonel Cavanagh is, in substance, a good one, and recommends that Colonel Cavanagh should be allowed to raise, if possible, one of these local native corps, though his Grace is disposed to think that a corps composed entirely of natives of the Malayan Peninsula, and the neighbouring islands, would be preferable to one composed mainly of Indians.

Lord Herbert would, however, remark that in the case of the Ceylon Rifles it has been found every year more and more difficult to recruit from among the Malays, and that this difficulty and the cost will no doubt increase.

This being the state of the correspondence with respect to these native levies, it may be superfluous to observe that if the Secretary of State for War is to be responsible for arrangements connected with the future protection of the Straits Settlements, it is indispensable that he should be informed what are the conditions as to pay, establishment of officers, native and European, on which the corps is to be formed, also whether any and what progress has been made in raising it.

In the same Despatch Colonel Cavanagh recommends that, in addition to the two local corps, the garrison should consist of three companies of European artillery and one regiment of European infantry, amounting in all to about 2,360 men. The climate, he states, agrees well with the European constitution.

Mr. Crawfurd, on the other hand, deems this force excessive. He estimates the three companies of European artillery and an European regiment as numbering 1,000 men, rank and file, and considers that "one half that number of the Royal Marines would be quite adequate to all the protection which a land force is capable of giving." He would also reduce Colonel Cavanagh's local corps to 500, or for both, 1,000.

The Duke of Newcastle is aware that the objections which have been taken from time to time by the Admiralty to the employment of marines in the manner proposed by Mr. Crawfurd will render it futile to submit the arrangement for the sanction of the Lords Commissioners.

It remains, then, to consider what should constitute the numerical strength of the future garrison of these possessions, how it should be composed, and what proportion the European should bear to the native troops. These, however, are questions on which, with the divergent views before him, Lord Herbert feels it impossible to form any positive judgment, though he would conceive a regiment of the line, one battery of Royal Artillery, and one or two native corps, would be amply sufficient. Whatever, however, be the numbers, it seems clear that the force must be composed, in a considerable degree, of native troops; and Lord Herbert cannot but remark that for this purpose the Government of India have facilities far greater than those of the Imperial Government.

The question next in importance referred to in this correspondence, as connected with military arrangements, has reference to the barracks under construction at Singapore for an European regiment.

Lord Herbert agrees with the Duke of Newcastle that, adverting to the fact that the Indian Government will be relieved by the proposed transfer of settlements to the Colonial Office from an expenditure varying from 30,000*l.* to 50,000*l.* per annum, the claim for the

repayment of the cost of these barracks, cannot reasonably be entertained by Her Majesty's Government, nor should it be overlooked in considering the relative liabilities of the two Governments, that the presence of so large a body of convicts from India will subject Her Majesty's Government to the expense of maintaining a more numerous garrison than would otherwise be required.

The question, however, is one which, looking to the large amount of the sum involved (70,000*l.*), his Lordship deems it undesirable should be left for future adjustment. He would, therefore, suggest that the attention of the Lords of the Treasury should be at once directed to it by the Colonial Office, as constituting a part of the financial arrangements connected with the transfer.

In the meanwhile, this department is in possession of no information as to the progress made in the building, or within what period it is expected to be completed; nor is his Lordship enabled to state whether, when completed, it will be in all respects suited for the accommodation of one of Her Majesty's regiments. He proposes to direct an officer of Royal Engineers to proceed to Singapore for the purpose of furnishing a full report on the subject.

I am to observe, in conclusion, that his Lordship presumes that some time must necessarily elapse before the transfer can be practically effected, and that no expense connected with the military arrangements will devolve on this department pending the current financial year.

I have, &c.
(signed) *Edward Lugard.*

The Under Secretary of State for the Colonies to the Under Secretary of State for India, dated Downing-street, 30 July 1861.

Sir,

With reference to my letter of the 13th instant, I am directed by the Duke of Newcastle to request that you will state to Sir C. Wood that it has been suggested to his Grace, that if a regiment of Sikhs, formed on the irregular principle, could be spared for service in the Straits Settlements, it would probably be the most economical and useful.

The Duke of Newcastle would request to be informed whether such a regiment could conveniently be spared for the purpose, and what would be its probable cost; and, failing such a regiment, whether one of Madras Infantry could be made available for the service, and at what probable cost.

I am, &c.
(signed) *T. F. Elliot.*

(No. 3886.)

Major General *Pears*, Military Secretary, to the Under Secretary of State for the Colonies, dated India Office, 13 August 1861.

Sir,

I HAVE received your letter, dated 13th ultimo, transmitting correspondence respecting the proposed transfer of the Straits Settlements to the superintendence of the Colonial Department, and inquiring whether any report has been received from the Government of India of the progress made towards the formation of a local corps for service at Singapore.

In reply, I am directed to inform you that the Government of India have stated, in reply to the Despatch addressed to them in August last, that the subject was under consideration, in communication with the Government of Fort St. George, and would be reported on at an early date. No report having yet been received, Sir Charles Wood will direct the Government of India immediately to report the result.

With respect to the inquiry of the Duke of Newcastle whether the Indian Government will be willing to allow one of their native regiments to be stationed in the Settlements under the charge of the officer in command of Her Majesty's troops there, the cost being provided for out of Imperial or local funds, I am directed to observe, that one of the reasons assigned by Colonel Cavanagh for the withdrawal of the Native Indian troops from Singapore, was the sickness prevalent among such troops when located there. Sir C. Wood will, however, inform the Government of India of the wish of the Duke of Newcastle in this respect.

The

The other points referred to in the correspondence enclosed in your letter, do not appear to call for remark at the present moment.

The suggestion regarding the employment of a Sikh regiment in the Straits Settlements, referred to in your letter dated the 30th July, will also be pointed out to the Government of India for their opinion thereon.

I have, &c.
(signed) T. T. Pears.

POLITICAL DEPARTMENT.

The Secretary of State for India to the Governor General of India in Council, dated 14 September 1861, No. 117.

1. WITH reference to the Letter of your Excellency's Government, No. 30, of the 20th February last, in the Financial Department, and to my several despatches relating to the expenditure of the Straits Settlements, and the question of their future administration, I have now to inform your Excellency's Government that no arrangement for the purpose of transferring to Her Majesty's Secretary of State for the Colonies the superintendence of the affairs of these settlements has been made by Her Majesty's Government, and they must, therefore, for the present at least, be administered, as heretofore, under your Excellency's direction.

2. I have to impress upon you the necessity of making such financial arrangements as will cause these outlying dependencies to be no longer a burden upon the Indian Exchequer. In my Public Works Letter, No. 27, of the 2d of May, I requested you to issue immediate orders for the discontinuance of any work upon the barracks recently in course of erection at Singapore, which is not required in order to preserve what has been already erected; and I have now to desire that these instructions may be extended to any other public works and undertakings in progress, the suspension of which will not occasion any present injury to the inhabitants of the settlements, and I especially desire that no further works of defence be constructed.

3. Having, by the exercise of a vigilant economy, brought the expenditure within the smallest compass consistently with the public good, it will rest with your Excellency to determine, should the disbursements still be in excess of the income of the settlements, in what manner the desired equilibrium may most expediently be restored, by opening out new sources of revenue.

I have, &c.
(signed) C. Wood.

Sir Frederic Rogers to the Under Secretary of State for India, dated Downing-street, 16 September 1861.

Sir,

I AM directed by the Duke of Newcastle to enclose, for Sir C. Wood's consideration, the copy of a letter which has been received from the Treasury respecting the proposal to transfer the superintendence of the Straits Settlements to the Colonial Department.

The Lords of the Treasury, it will be seen, decline to consider this proposal at present, but express their readiness to do so when it is brought before them with more specific information on the following points:—

1st. The reasons for undertaking what will, in the first instance at least, impose a charge on the British Exchequer.

2d. More full and exact means of estimating any possible charge of this kind.

3d. In particular, a definite conclusion respecting the military arrangements which it would be necessary to make in connexion with the transfer, and respecting the cost of these arrangements.

As the answers to these questions must for the most part be furnished from the India Office, the Duke of Newcastle would suggest that the communication

in answer to the Treasury Letter should be made direct from that department. But he has considered that letter with the view of ascertaining what points were involved in these questions on which the concurrent examination of the Colonial Office would be required.

1. The general reasons for the transfer are of course most properly, and will be most effectually stated by the department which desires that transfer.

2. The military expenses appear, in the main, to be proper for the consideration of the War Office, with such information as may be obtained by that department from the India Office.

The answer to the second question, what will be the possible charge imposed on the British Exchequer, will, of course, result from a comparison of the probable revenue with the probable expenditure. It seems, therefore, to require—

1st. Such a detailed statement of the revenue for the last few years as may give some ground for conjecturing whether the different items are likely to increase or decrease.

2d. A similar statement respecting the expenditure.

3d. A similar statement respecting what are called the municipal revenues (arising from a tax of 10 per cent. on houses and other sources) and municipal expenditure, which last is said, in a paper which has been forwarded to the Duke of Newcastle, to include certain expenses of a general character (as e.g., the support of a species of military police throughout the province), to be inadequate to the burthens imposed upon it.

4th. The alleged insufficiency of the existing establishments for the performance of the duties of Government, and the necessity, therefore, of increased expenditure upon them.

5th. The amount which it may become necessary to guarantee in the way of pensions, in case any existing officers of the Indian Government are to retain their offices.

6th. The cost of completing any public works in progress, or likely to be required by way of restoration or otherwise.

7th. The additional cost which may be imposed on the Government in case it is found necessary to give separate legislatures to the different settlements, and in consequence to preclude the Government from applying the possible surplus of Singapore to meet the certain deficiency at Penang.

The information indicated under the first two of these heads appears to be exclusively accessible to the India Office.

The remaining questions, as they have reference to possible and prospective changes, which, though rendered necessary by the existing state of things, will (if the proposed transfer be made) be effected by the Colonial Department, appear to require the concurrent examination of the two (India and Colonial) Departments.

And if Sir C. Wood should desire to pursue the questions at present, the Duke of Newcastle will readily take measures for examining them, either by considering any statement which Sir C. Wood may desire to address to him (from which, however, he would anticipate little result), or by personal communication between the two offices, or by deputing some officer in connexion with the Colonial Office, to visit the Straits Settlements, and endeavour to obtain from the authorities there such information as would enable his Grace to form some opinion, however general, on the points involved in Mr. Hamilton's question.

In connexion with this subject, I am directed by his Grace to forward a copy of a letter received from the War Department, requesting information on various points, and in particular desiring to be informed whether the negotiations for the transfer of the settlements are sufficiently advanced to render it expedient to send an engineer officer to report upon the state of the buildings.

His Grace fears, however, that there would be little use in prosecuting those inquiries unless the Indian Government is prepared definitively to abandon the claim for repayment in respect of expenses incurred in public works or otherwise previously to the date of the transfer.

I am, &c.

(signed) *Frederic Rogers.*

30 August 1861.

Mr. *Hamilton* to Sir F. Rogers, Bart., dated Treasury Chambers, 31 July 1861.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Duke of Newcastle, with reference to Mr. Elliot's letter of the 31st May last, and the correspondence relating to the transfer of the Straits Settlements to the Colonial Department, that, having regard to the importance of the subject and the several considerations, both financial and military, which are involved, my Lords are of opinion that the information before them is not sufficient to enable them to come to a satisfactory decision.

With reference to financial considerations, my Lords desire me to state that, before coming to a decision, they would require more full and exact means of estimating any possible charge on the British Exchequer, as well as the reasons for undertaking it; and as regards the military considerations involved, it appears to my Lords, from the correspondence between the Colonial and War Departments, that the information at present before the Secretary of State for War does not enable him to come to any definite conclusion with regard to the arrangements, or the cost of them, which it would be necessary to make in connexion with the transfer.

Under these circumstances, my Lords can only state that they will be ready to resume the consideration of the subject, when brought before them with more specific information on the points referred to.

I am, &c.
(signed) *Geo. A. Hamilton.*

Sir E. *Lugard* to Sir F. Rogers, dated War Office, 30 August 1861.

Sir,

With reference to your letter of the 22d instant, and its enclosure from the India Office, by which it appears that the question of raising a local corps for service in the Straits Settlements is still under the consideration of the authorities in India, I am directed to state that Secretary Sir George Lewis would be glad to be informed whether any report of the progress of the buildings for the troops, or the date on which they would be completed, has been received, and, if not, whether the arrangements for the transfer of the settlements are sufficiently advanced to render it expedient to send an engineer officer to inspect and report upon the buildings, as suggested in the last paragraph but one of my letter of the 19th June.

I have, &c.
(signed) *Edward Lugard.*

Sir *Frederic Rogers* to the Under Secretary of State for India.

Sir,

Downing-street, 27 September 1861.

I AM directed by the Duke of Newcastle to transmit to you, for the information of Secretary Sir C. Wood, and with reference to my letter of the 16th instant, the enclosed copy of a memorial addressed to his Grace by certain residents at Singapore, with resolutions adopted at a public meeting held there in May last.

I am, &c.
(signed) *Frederic Rogers.*

30th June.

Messrs. *Read* and others to the Duke of Newcastle.

(Copy.)

My Lord Duke,

At a public meeting of the inhabitants of Singapore, convened by the sheriff, held on the 22d May last, the following resolutions were unanimously adopted, namely,

1. That in the opinion of this meeting the revenue of the Straits Settlements is sufficient to meet all legitimate expenses.
2. That the greatly increased expenditure for military purposes entailed by the expensive system of fortification, now in progress, should not be borne by these settlements, as it is undertaken for Imperial and not local interests.
3. That the surplus revenue, exclusive of military outlay, estimated at 50,000 £, is more than sufficient to defray the cost of a local corps of 1,200 men, which is considered ample to meet all the requirements of these settlements.

4. That it would prove advantageous to British interests in these seas that the Governor of the Straits Settlements should also hold the appointment of Her Majesty's Commissioner and Superintendent of Trade in the Eastern Archipelago.

5. That a committee, composed of the chairman (Mr. W. H. Read), Mr. Greenshields, Mr. Paterson, Mr. Woods, and Mr. Harrison, be appointed to carry out these resolutions.

These expressions of public opinion have been announced in consequence of the prevailing belief that the administration of the Straits Settlements is about to be transferred from the Indian to the Colonial Department; and as the latter is presided over by your Grace, we venture to submit the following remarks, in the hope that expressing, as they do, the sentiments of residents most deeply interested in the welfare of these settlements, it will afford your Grace the best assurance that our recommendations and suggestions have been well considered, and their present and future bearing on the prosperity of Singapore been carefully kept in view.

We have, &c.

(signed) *W. H. Read.*
J. J. Greenshields.
Wm. Paterson.
R. Woods.

We deem it unnecessary to intrude upon your Grace with a detailed history of the Government and institutions of the Straits Settlements after the able and lucid statement concerning them, contained in the pamphlet addressed to your Grace on the 20th April last by Messrs. A. Guthrie, W. Napier and others, whose former residence and local experience give to their remarks a degree of authority which the present community of the Straits readily acknowledge.

Abstaining from the details contained in that letter, highly valuable though they may be, we purpose to confine our observations chiefly to the circumstances and requirements of this station alone, our duty being restricted to the resolutions passed at the public meeting.

The Settlement of Singapore was, in the words of its founder, primarily established with a view to a "great commercial emporium, and a fulcrum, whence might be extended the political influence of the British Government over the Archipelago." Imperial interests from the very first prevailed, and have gradually increased, whilst the mercantile prosperity has been secured by a central position and by free trade, which have gradually raised it to the proud position of third in importance among Her Majesty's East Indian possessions.

The progress of Singapore has been unchecked, from the time of its foundation in 1819 to the present; the inhabitants have increased from 100 to 85,000, and the revenue from nil to 77,500*l.* and the expenditure to 37,000*l.* showing a balance at credit of 40,500*l.* This is exhibited in the Appendix (A.), derived from official sources, and which shows not only the aggregate of the three, but also of each separate settlement.

It is but just to remark, that the expenses of the military and convict departments are not included in the foregoing calculations, for it has been considered that the former have hitherto been supplied as a guard to the latter, and the latter more than pay their expenses by the value of their services to the Public Works Department.

But now that the fortifications of this place have been greatly increased, and that it is evident to all that the central position of Singapore renders it of great importance to the Imperial Government, the inhabitants deem it their duty respectfully, but earnestly, to protest against the heavy additional charge thus entailed upon the settlement being defrayed from the local revenue, and in so doing they consider that they have justice and prevailing custom on their side, for it is evident that the interests concerned in the defence of this place are not merely local but of high Imperial importance.

The inhabitants of this settlement are willing and ready to afford from their surplus revenue a sum sufficient for the maintenance of a corps, to be utilized for local purposes, and it has been ascertained, from admitted authority, that the whole expenditure under that head need not exceed, on the most liberal basis, 35,000*l.* per annum.

Having thus considered the financial circumstances of the settlement, we now turn towards its political position.

Surrounded by native States, some powerful, and some effete, with the Dutch and French gradually extending their territories, and annexing countries whose inhabitants have long traded to this port, it is evident that British interests require that vigilant supervision which they have not hitherto obtained; so that whilst, on the one hand, good government should be encouraged and treaties should be made, on the other, our just prerogatives and rights should be jealously guarded from the encroachments which jealousy, or a restrictive commercial policy may inflict upon our commerce. It is therefore suggested, that the Governor of the Straits Settlements should be appointed Her Majesty's Commissioner and Superintendent of Trade in the Eastern Archipelago, accredited, not only with full powers to treat with the native chieftains of the Malayan Peninsula and Borneo, but also to negotiate with the other European powers in these seas, in order that British interests may be maintained in their integrity, and that civilization and Christianity may be largely promoted.

We are not prepared to advocate any large increase to the expenditure for the purpose of increasing the present establishments, but it is suggested that the increased duty imposed upon the Governor of these settlements, should be rewarded by an additional allowance of 800*l.* per annum, that a few new offices be created, and that the low scale of remuneration given to the occupants of subordinate offices should be increased.

The Appendix (B.) shows the amount which is considered ample for the purpose.

It was at one time considered that a puisne judge for this settlement was an absolute necessity, but the introduction of a Bill in the Legislative Council of India in May last, for extending the jurisdiction of the Singapore Court of Requests in suits to 100 dollars, will so effectually relieve the judicial establishment of Her Majesty's Supreme Court from the pressure of business hitherto experienced, that one judge or recorder, as at present, will be sufficient to dispose of all cases which will be brought before him without in any way impeding the due course of justice.

Appendix (A.)

	1857-58.	1858-59.	1859-60.
	Rs.	Rs.	Rs.
Revenue - - - - -	12,62,900	18,40,400	12,45,550
Expenditure - - - - -	7,36,500	8,31,700	8,12,500
Surplus - - - <i>Rs.</i>	5,26,400	5,08,700	4,33,050

The above expenditure does not include the charges for military and convicts.

Revenue and Expenditure of the three Stations during three Years.

	1857-58.	1858-59.	1859-60.
	Rs.	Rs.	Rs.
SINGAPORE:			
Revenue - - - - -	7,70,800	8,63,700	7,74,650
Expenditure - - - - -	3,33,300	4,01,200	3,71,400
Surplus - - - <i>Rs.</i>	4,37,500	4,62,500	4,03,250
PENANG:			
Revenue - - - - -	3,19,500	3,04,200	3,01,800
Expenditure - - - - -	2,65,100	2,86,800	2,54,250
Surplus - - - <i>Rs.</i>	54,400	17,400	47,550
MALACCA:			
Revenue - - - - -	1,72,600	1,72,500	1,69,100
Expenditure - - - - -	1,38,100	1,43,800	1,86,900
Surplus - - - <i>Rs.</i>	34,500	28,700	Defy. 17,800

Appendix (B.)

	£.	Rs.
Governor, additional pay	800 =	8,000
Colonial Secretary, salary	1,500 =	15,000
Attorney General (Singapore)	600 =	6,000
Public Prosecutor (Penang)	600 =	6,000
Assistant Magistrate (Singapore)	600 =	6,000
European Interpreter for Chinese (Singapore)	500 =	5,000
Ditto - - ditto (Penang) -	500 =	5,000
		Rs. 51,000
Additions to existing salaries -		7,000
		Rs. 58,000

Herman Merivale, Esq., to the Under Secretary of State for the Colonies, dated India Office, 28 October 1861.

Sir,

I AM directed by Sir Charles Wood to acknowledge the receipt of your letters of the 16th and 27th September, on the subject of the proposed transfer of the superintendence of the Straits Settlements from the Indian Government to the Colonial Office. The enclosure to the last of these letters supplies much of the information asked for in the first, and Sir Charles Wood, therefore, limits his observations to such points as do not appear to be fully elucidated in the documents laid before the Duke of Newcastle by the inhabitants of Singapore.

2. The question of the transfer of the superintendence of the Straits Settlements to the Colonial Office, originated from the strong expression of the wishes of the inhabitants to that effect. In consequence of this, the question was taken into consideration jointly by Lord Stanley and Sir E. Bulwer Lytton, and a despatch was addressed by the former to the Government of India, requesting to be informed of their views with respect to the proposed transfer. The reply of that Government was strongly in favour of complying with the wishes of the inhabitants of Singapore. A copy of the letter from the Government of India, in which Sir C. Wood expressed his entire concurrence, was forwarded for the information of the Duke of Newcastle in the India Office letter of the 7th of February 1860; and Sir C. Wood expressed his wish to enter into communication with his Grace, with a view to making the necessary arrangements for the transfer, if the measure should meet with the approval of the Colonial Department. It appeared to Sir C. Wood, that the Straits Settlements were more connected with Imperial than with Indian interests, and that it would be more expedient that the control of these dependencies, should, in conformity with the wishes of the inhabitants, be withdrawn from the Indian Government, and placed under the Secretary of State for the Colonies.

3. With respect to the accounts of the revenue and expenditure of the settlements, Sir Charles Wood observes, that on former occasions he placed before the Duke of Newcastle the latest financial returns obtainable from the records of his office, and that the enclosures of your letter of the 27th September, show the receipts and disbursements severally of Singapore, Penang, and Malacca, for the last three years, and indicate the views of the residents with respect to the charges that, in their opinion, ought to be borne by the settlements, and the additional expenditure which it would be advisable to incur, under a reformed system of administration. Sir Charles Wood need not express any opinion upon these points of detail.

4. With respect to the military establishments, Sir Charles Wood concurs in opinion with the Duke of Newcastle, that this question "appears in the main to be

be proper for the consideration of the War Office, with such information as may be obtained by that department from the India Office." Sir Charles Wood will readily supply any information which may be asked for.

5. With reference to the question of payment for public works, Sir Charles Wood would observe, that he has never sought compensation from the Imperial Exchequer for any works which have been completed, but solely to be reimbursed the sums expended from Indian revenues on the works now in progress, from which the Indian Government have derived no advantage, and all the benefits of which, in the event of such a change, will be reaped by the British Imperial Government. With respect to the probable cost of completing the works recently in progress which have now been (as far as is possible without injury) arrested, Sir Charles Wood will supply the required information as soon as it can be obtained. In reference to former correspondence as to the convict establishment, Sir Charles Wood would draw the attention of his Grace to the statement in the letter from Singapore (enclosure to Sir F. Rogers' letter of 27th September), that it more than pays its expenses by the value of their services in the Public Works Department.

In conclusion, I am directed to state that Sir Charles Wood does not consider it necessary that an officer should be specially deputed to the Straits Settlements, to acquire information on the spot. He is of opinion, that either by means of personal communication between the two officers, or by correspondence (obtaining from India any data that may not be derivable from the records of this department), all the information may be readily obtained which is requisite, in order to arrive at a right understanding of all the bearings of the question, and to expedite its final settlement.

I am &c.
(signed) *Herman Merivale.*

Sir F. Rogers to the Under Secretary of State for India, dated Downing-street,
19 December 1861.

Sir,

With reference to your letter, dated the 28th October last, I am directed by the Duke of Newcastle to transmit to you, for the information of the Secretary of State for India, the accompanying copy of a letter from the Board of Treasury, in which the Lords Commissioners state that they cannot, on the information at present in their possession, sanction the transfer of the superintendence of the Straits Settlements from the Indian to the Colonial Department.

The Duke of Newcastle considers that, so far as this department is concerned, this expression of their Lordships' opinion puts an end to the proposed transfer, as his Grace has no means of supplying the information required. It will rest with Sir C. Wood to decide whether any further steps can be taken by him to procure such details as will satisfy the Treasury.

I am &c.
(signed) *Frederic Rogers.*

Mr. Peel to Sir F. Rogers.

Sir,

Treasury Chambers, 11 December 1861.

With reference to Mr. Elliot's letter of 11th ultimo, and its enclosures, I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Duke of Newcastle, that their Lordships have resumed the consideration of the proposed transfer of the Straits Settlements from the Indian to the Colonial Department. With every disposition to give due weight to the views and representations contained in the memorial of the inhabitants of Singapore in support of the transfer, my Lords are at present unable to arrive at the opinion that there are reasons of State sufficient to induce Her Majesty's Government to incur an addition to the public expenditure, in order to give effect to such transfer.

Still less would my Lords feel warranted in committing themselves to a measure involving such important considerations, while the information on the subject not only remains incomplete, but is derived mainly from local parties, and does not appear to be accepted by the Indian or Colonial Departments, and forwarded to this Board, with the guarantee of those departments for its accuracy.

My Lords have, therefore, only to repeat, that they will be ready to enter upon the further consideration of the subject when brought before their Lordships, with such specific information as is requisite to enable them to arrive at a satisfactory conclusion, the obtaining and testing of which information their Lordships submit, will rest with the departments referred to.

I am &c.
(signed) *F. Peel.*

COPIES of all CORRESPONDENCE between the Government of *India* and the Secretary of State for *India* and the Colonial Office, and any other Department of the Government, relative to the proposed TRANSFER of the STRAITS SETTLEMENTS to the COLONIAL OFFICE; and, of COMMUNICATIONS from Parties in this Country to the Colonial Office on the same subject.

(*Mr. Gregson.*)

Ordered, by The House of Commons, to be Printed,
20 May 1862.

[*Price 10d.*]

259.

Under 12 oz

